

Savoy, Joanne

From: Jones, Andrea
Sent: Monday, April 04, 2016 11:51 AM
To: Savoy, Joanne
Subject: FW: RE: RE: Voluntary disclosure to NRC
Attachments: Revised Scientech - nozzle dams to China 3-24-16.pdf

From: Fischer, Carol [<mailto:CFischer@curtisswright.com>]
Sent: Monday, April 04, 2016 10:38 AM
To: Jones, Andrea <Andrea.Jones2@nrc.gov>
Subject: [External_Sender] RE: RE: Voluntary disclosure to NRC

Yes. Here is the revised disclosure. I will FedEx the original for delivery tomorrow morning.

Regards,

Carol Fischer
Corporate Trade Compliance Specialist
Legal Department

Curtiss-Wright Corporation
1000 Wright Way, Cheswick, PA 15024 USA
T: 724-275-5734 | Mobile: 412-298-5720
cfischer@curtisswright.com

From: Jones, Andrea [<mailto:Andrea.Jones2@nrc.gov>]
Sent: Monday, April 04, 2016 9:28 AM
To: Fischer, Carol
Subject: RE: RE: Voluntary disclosure to NRC

Carol.

Will Curtiss-Wright re-submit the disclosure form without the request?

Andrea R. Jones, Senior Licensing Officer
Export Control and Nonproliferation Branch
Office of International Programs
U.S. Nuclear Regulatory Commission
301-415-2309

From: Fischer, Carol [<mailto:CFischer@curtisswright.com>]
Sent: Monday, April 04, 2016 9:24 AM
To: Jones, Andrea <Andrea.Jones2@nrc.gov>
Subject: [External_Sender] RE: Voluntary disclosure to NRC
Importance: High

Andrea:

In regards to our conversation last week about this disclosure, Curtiss-Wright understands that the NRC **will** post the disclosure in the NRC public document room ADAMS.

Best Regards,

Carol Fischer
Corporate Trade Compliance Specialist
Legal Department

Curtiss-Wright Corporation
1000 Wright Way, Cheswick, PA 15024 USA
T: 724-275-5734 | Mobile: 412-298-5720
cfischer@curtisswright.com

From: Jones, Andrea [<mailto:Andrea.Jones2@nrc.gov>]

Sent: Monday, March 28, 2016 9:49 AM

To: Fischer, Carol

Subject: RE: Voluntary disclosure to NRC

Hi Carol,

I did receive it. I will be in touch to let you know that next actions.

Andrea R. Jones, Senior Licensing Officer
Export Control and Nonproliferation Branch
Office of International Programs
U.S. Nuclear Regulatory Commission
301-415-2309

From: Fischer, Carol [<mailto:CFischer@curtisswright.com>]

Sent: Monday, March 28, 2016 8:46 AM

To: Jones, Andrea <Andrea.Jones2@nrc.gov>

Cc: Chimood, Jane <Jane.Chimood@nrc.gov>; Ferkile, Andrea <Andrea.Ferkile@nrc.gov>; Smith, Brooke <Brooke.Smith@nrc.gov>

Subject: [External_Sender] Voluntary disclosure to NRC

Good morning, Andrea:

This letter is to inform you that the attached voluntary disclosure was delivered to the NRC facility in Rockville Friday morning. Please let me know if there are any questions or if you need anything from myself or Curtiss-Wright. Thank you for your assistance with my questions last month regarding this issue.

Regards,

Carol Fischer
Corporate Trade Compliance Specialist
Legal Department



Curtiss-Wright Corporation
13925 Ballantyne Corporate Place
Suite 400
Charlotte, NC 28277
T: 704-869-4600
curtisswright.com

March 23, 2016¹

VIA FEDEX NEXT DAY DELIVERY

Mr. Nader Mamish
Director, Office of International Programs
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Re: Voluntary Self-Disclosure by the Sciencetech business unit of Curtiss-Wright Flow Control Service Corporation, a U.S. subsidiary of Curtiss-Wright Corporation

Dear Mr. Mamish:

Curtiss-Wright Corporation ("Curtiss-Wright"), a Delaware corporation, on behalf of its subsidiary Curtiss-Wright Flow Control Service Corporation, a New York corporation, d/b/a Sciencetech ("Sciencetech hereby submits to the U.S. Nuclear Regulatory Commission ("NRC") this voluntary self-disclosure of a potential violation of 10 C.F.R. Part 110. This disclosure identifies the unauthorized export to China of four nozzle dams, with associated nozzle dam control console and installation tools, to Shanghai Electric E and A Industrial Development Co., Ltd. for use at the Changjiang Nuclear Power Plant. This submission provides further details about the potential violation, and identifies the corrective actions Curtiss-Wright has undertaken to enhance compliance and prevent recurrences of a similar nature.

I. Sciencetech Business Unit of Curtiss-Wright Corporation

Sciencetech, a business unit of Curtiss-Wright located in Danbury, Connecticut, is a manufacturer of steam generator nozzle dams used during outages at nuclear power plants. While nozzle dams are not an essential component to the operation of the plant or of the maintenance of the steam generator during an outage, they are tools that essentially act as a pipe plug to prevent coolant from entering the steam generator during an outage. Nozzle dams temporarily isolate the steam generator's primary channel head from the refueling pool during an outage, allowing eddy current and other testing and maintenance on the steam generator at the same time as the reactor refueling.

¹ Letter reissued on April 4, 2016. FOIA redacted per NRC request.

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II. Nature and Circumstances of the Violation

This disclosure concerns the unauthorized export occurring on September 4, 2013 of four nozzle dams with associated nozzle dam control console and installation tools to Shanghai Electric E and A Industrial Development Co., Ltd for ultimate use at the Changjiang Nuclear Power Plant in China. As explained below, Sciencetech inadvertently exported the nozzle dams believing they were under the export control of the U.S. Department of with an Export Control Classification Number ("ECCN") of 2A291(d)² and did not require an export license to China. In November, 2013, upon receiving guidance from the NRC, Sciencetech changed the jurisdiction for the Nozzle Dams to the NRC. In February 2016, Sciencetech received an inquiry from Changjiang for additional nozzle dam diaphragm seals (the "Seals") and began preparing an NRC license application when Sciencetech realized it had inadvertently exported the Nozzle Dams in 2013 without an NRC license. A license application for the upcoming shipment is being submitted to the NRC simultaneously with this disclosure under separate cover.

III. Sequence of Events

In March 2003, Sciencetech applied for and received NRC export license number XCOM1156 to ship nozzle dams to Qinshan and Daya Bay nuclear power plants. Nozzle dams were shipped one time against this license to Qinshan in December of 2009. The license expired on April 30, 2010.

Personnel responsible for the license application who had knowledge of the export controls of the nozzle dams retired from employment or moved to other departments in the company. Personnel new to the nozzle dam product line were unaware of the NRC export control and NRC license obtained ten years earlier (in 2003) and analyzed the nozzle dams to determine export license requirements in preparation to fulfil an order Sciencetech received in December 2012 for nozzle dams for the Changjiang nuclear power plant in China. Sciencetech's analysis resulted in an incorrect jurisdiction determination and the product's September 2013 export to China without the required NRC export license.

In the third quarter of 2013, Curtiss-Wright Corporation issued online export compliance training to employees including Sciencetech. Personnel assigned to the nozzle dam product line that had completed the compliance training began to question the accuracy of the self-determination made earlier in the year. On October 21, 2013, Sciencetech contacted Curtiss-Wright's Senior Export Compliance Officer for assistance in confirming ECCN 2A291(d) was the correct export control for the nozzle dams. The classification analysis included contacting the NRC for confirmation that the nozzle dams were not under the export control of the NRC. On November 25, 2013, the NRC informed Sciencetech of the determination that the nozzle dams are included in Appendix A of 10 C.F.R. Part 110. Sciencetech immediately applied for two NRC export licenses approved under license number XCOM1275 issued on May 5, 2014 for nozzle dams for the Sanmen nuclear power plant in China and license number XCOM1276 issued on May 5, 2014 for nozzle

² Commodities, 'parts', 'components' and accessories 'specially designed' or prepared for use with nuclear plants (e.g., snubbers, airlocks, pumps, reactor fuel charging and discharging equipment, containment equipment such as hydrogen recombiner and penetration seals, and reactor and fuel inspection equipment, including ultrasonic or eddy current test equipment).

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dams for the Hongyanhe nuclear power plant also in China. Sciencetech did not realize that the previous export of the four nozzle dams made on September 4, 2013, shipped without NRC authorization, remained an issue to resolve.

Sciencetech has also applied for and received NRC license number XCOM1286 issued on November 24, 2014 for shipments of nozzle dams to the Haiyang, China nuclear power plant, and license number XCOM1276/01 issued on October 23, 2015 for shipments of nozzle dams to the Fuqing, China nuclear power plant.

IV. Corrective Actions

Because of Curtiss-Wright's findings, the following corrective actions have taken place:

- Additional export compliance training provided to Sciencetech with emphasis on correctly analyzing company product for export controls; and
- Sciencetech revised its procedures to retain the export control and export license information on nozzle dams in a spreadsheet stored on the company network.

V. Mitigating Factors

In addition to the specific corrective actions discussed above, Curtiss-Wright respectfully requests that NRC consider the following mitigating factors in evaluating this voluntary disclosure:

- The unauthorized export was an unintentional and isolated incident. The unauthorized export stemmed from the fact that Sciencetech mistakenly believed the nozzle dams were under the export control of the EAR.
- Unclassified Article. The nozzle dams are UNCLASSIFIED and not controlled under the National Industrial Security Program.
- Voluntary disclosure and full cooperation. Upon notification by Sciencetech that nozzle dams were exported without NRC authorization, albeit an unintentional export, Curtiss-Wright immediately notified NRC and sought to address the failure through enhanced procedures. Curtiss-Wright is prepared to cooperate fully with NRC.
- Curtiss-Wright is committed to compliance with the NRC. Curtiss-Wright has a long-standing commitment to NRC compliance. In addition to applying for and obtaining export authorizations from the NRC, Curtiss-Wright maintains an internal compliance program by continually taking steps to improve its program and, to that end, is committed to deterring similar types of possible violations through the above-described corrective actions. Among the program's requirements is to conduct training for all relevant employees on a continual basis. In addition, Curtiss-Wright instructs its personnel on the importance of understanding and complying strictly with export regulations, as well as the consequences of non-compliance to Curtiss-Wright

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Mr. Nader Mamish
March 23, 2016
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and themselves. Curtiss-Wright will continue to provide such instruction and training and continually reinforce commitment to export compliance.

VIII. Conclusion

Curtiss-Wright sincerely regrets the inadvertent violations that are the subject of this disclosure and understand fully the gravity of any violation of the NRC. Curtiss-Wright is committed to cooperating fully with NRC's review of this matter and has taken the remedial actions described above to prevent future violations.

I hereby certify that the representations made in connection with this voluntary disclosure are true and correct to the best of my knowledge and belief, and I make this voluntary disclosure with the full knowledge and authorization of the senior management of Curtiss-Wright.

* * *

If you have any questions or require further information regarding this disclosure, please do not hesitate to contact the undersigned at 704-869-4515 or at rshaw@curtisswright.com.

Respectfully submitted,

Handwritten signature of Robert H. Shaw in blue ink, followed by a stylized 'CS' monogram.

Rob Shaw
Associate General Counsel

cc: Paul Ferdenzi
Brian Dassatti

Ums
4-6-16