

Letter No. LSM-LTR-19-05

**August 8, 2019**

**Attention: Document Control Desk**

**Address:** U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001

**Subject: Updated Reply to a Notice of Nonconformance for Nuclear Regulatory Commission Inspection Report of L&S Machine Company No. 99901476/2019-201.**

**References:**

1. **Nuclear Regulatory Commission, Vendor Inspection Report, "Inspection Report No. 99901476/2019-201"**

Dear Document Control Desk,

L&S Machine Co LLC. (L&S) acknowledges receipt of NRC Letter dated June 12, 2019 transmitting the NRC Inspection Report, 99901476/2019-201, from May 6 -9, 2019 of L&S Machine.

Please find attached our updated responses to NON 99901476/2019-201-01. The updated responses include the following: results of the extent of condition of inadequate corrective actions and confirmation of training being completed. L&S respectfully requests the NRC to consider our response, Attachment 1 as satisfactorily addressing the concerns raised.

Should you have any questions with regard to the attached responses, please do not hesitate to contact me at (724) 837-5500.

Sincerely,

\*\* Electronically Approved in L&S Machine Co. Q-Pulse

Daniel T Bolling  
Quality Assurance Manager  
L&S Machine Co., L.L.C.

IED9  
NRD

**Attachments:**

1. L&S Response to Notice of Nonconformance 99901476/2019-201-01

CC: Document Control Desk

**Attachment 1: L&S Updated Response to Notice of Nonconformance**  
**99901476/2019-201-01**

NRC Notice of Nonconformance 99901476/2019-201-01 states:

Criterion XVI, "Corrective Action," of Appendix B, "Quality Assurance Criteria for Nuclear Power Plants and Fuel Reprocessing Plants," to Title 10 of the Code of Federal Regulations (10 CFR) Part 50, "Domestic Licensing of Production and Utilization Facilities," states in part that "Measures shall be established to assure that conditions adverse to quality, such as failures, malfunctions, deficiencies, deviations, defective material and equipment, and nonconformances are promptly identified and corrected."

Paragraph 3.16.1.2 of Section 3.16 "Corrective Action", of L&S's "Quality Assurance Manual," Revision 11, dated December 20, 2018, states in part that, "Conditions adverse to the of items and services are identified, documented, analyzed, and corrected in accordance with established procedures."

Contrary to the above, as of May 10, 2019, L&S failed to promptly correct conditions adverse to quality. Specifically, L&S failed to implement corrective actions to address findings from the 2017 NRC Inspection Report 99901476/2017-201 for corrective action report (CAR)-17-17 and CAR-17-4. As a result, the NRC inspection team identified the following examples of inadequate corrective actions:

1. During the 2017 NRC inspection, CAR 17-4 was opened because L&S did not have objective evidence that safety-related material was used on procedure qualification record, PQR-027. L&S closed out CAR 17-4 on March 25, 2017, without revising GOP 9.0, "Special Processes" to require the use of safety-related materials during the Weld Procedure Qualification.
2. During the 2017 NRC inspection, CAR 17-17 was opened because L&S failed to ensure audits were performed by personnel not having direct responsibilities in the area being audited. During the performance of Audit LSM-IA-18-17, "2018 Internal Audit- Marion Center Internal Audit," December 18, 2018, an individual audited an element (10CFR Part 21) for which the individual had direct responsibility.

**L&S Response to required responses:**

**(1) The reason for the noncompliance or, if contested, the basis for disputing the noncompliance:**

**L&S Response:** L&S did not properly implement the requirements of procedure GOP 16.0 "Corrective Action." L&S failed to track CAR's to assure conditions adverse to quality were corrected in a timely manner.

**(2) The corrective steps that have been taken and the results achieved:****L&S Response:**

1. L&S Issued Corrective Action, LSM-CAR-19-18
2. A Extent of Condition Evaluation was performed on closed CARs for years 2017 thru 2019 by an outside contractor to determine if there were other inadequate CARs in addition to CARs 17-4 & 17-7 that the NRC identified during their inspection. The results of the evaluation was one minor issue on CAR-18-5 where an individual was the "owner" performed the follow up for effectiveness. The follow up in question required verification that a MAQP was revised. CAR-19-20 was issued to address the issue. No other safety related CARs were identified as being inadequate, the condition was isolated to the three CARs and not considered to be wide spread.
3. The procedure GOP 16.0 "Corrective Action" will be revised to require a Corrective Action Review Meeting to be convened weekly as appropriate to evaluate CARs generated within the previous week to assign significance (severity level) and Issue Owner, and determine whether the issue is worthy of a CAR. The review shall include tracking of CAR's through the entire CAR process to verify effective actions are completed by required dates and to verify correct objective evidence.

**(3) The corrective steps that will be taken to avoid further noncompliance:**

Training to applicable personnel has been performed on procedure GOP 16.0 Rev. 2 "Corrective Action".

**(4) The date when the corrective actions will be completed:**

All corrective actions have been completed.

**Please find below the corrective actions specifically for the (2) two examples of inadequate corrective actions referenced above.**

**(1) The reason for the noncompliance or, if contested, the basis for disputing the noncompliance:****Example 1:**

**L&S Response:** At the time of the NRC 2017 inspection L&S misunderstood the NRC expectations and assumed when the NRC team accepted the submitted PQR-027 Document package the CAR-17-4 could be closed.

**Example 2:**

**L&S Response:** The Lead Auditor and auditor that audited 10CFR Part 21 inadvertently failed to identify that the individual was directly responsible for the element audited in Audit LSM-IA-18-7, "2018 Internal Audit-Marion Center Internal Audit."

**(2) The corrective steps that have been taken and the results achieved****Example 1:**

**L&S Response:** CAR-19-11 was issued to address the nonconformance of not using safety related material on Weld Procedure Qualification PQR-027. Extent of condition evaluation has been performed on active weld procedure qualifications, PQR-027 is the only active PQR with the above noted deficiency. GOP 9.0 "Special Processes" has been revised to require the use of safety related material when performing a weld procedure qualification. Conclusion: The extent of condition evaluation performed found that the deficiency identified was isolated and not widespread. This condition does not affect other safety-related weld procedure qualifications.

**Example 2:**

**L&S Response:** CAR-19-13 was issued to address the nonconformance of an individual auditing an element that the individual is directly responsible for. Extent of Condition evaluation has been performed on Internal Audits for the years 2017 & 2018 which resulted in no additional nonconformances. Procedure GOP 18.0 "Audits has been revised to include a form 18.0.2 "Auditor Restrictions" identifying the elements that L&S auditors may or may not audit. The GOP 18.0 was revised to clarify the requirement "The Lead Auditor and members of the audit team shall have no direct responsibilities in the areas they are specifically auditing."

Conclusion: The extent of condition evaluation performed found that the deficiency identified was isolated and not widespread. This condition does not affect other safety related audits.

**(3) The corrective steps that will be taken to avoid further noncompliance:****Example 1:**

**L&S Response:** Training to applicable personnel has been performed on Procedure GOP 9.0 Rev. 2 Special Processes.

**Example 2:**

**L&S Response:** Training to applicable personnel has been performed on Procedure GOP18.0 Rev. 1 Audits and Form 18.02 "Auditor Restrictions".

**(4) The date when the corrective actions will be completed:**

All corrective actions have been completed.

L&S Corrective Action Report, LSM-CAR-19-18, will be completed and closed once NRC acceptance of L&S' responses is received.