

GENERAL DYNAMICS

Electric Boat

SQ/09-38
July 16, 2009

Subject: Reporting Non-Conformances Affecting Previously Accepted/Delivered Hardware

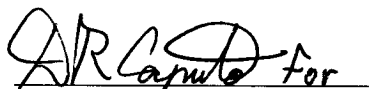
Dear Valued Supplier,

1. The purpose of this letter is to emphasize the supplier's responsibilities when a non-conformance has been identified that affects previously accepted/delivered hardware. As a supplier to Electric Boat, you have a contractual obligation to immediately report this type of issue to Electric Boat as detailed below.
2. Electric Boat Specification 2678J, Quality Control Requirements for Procured Materials, and the Supplier Corrective Action Report (SCAR) process are very specific in their requirements for reporting a non-conformance that affects previously accepted or shipped product. Previously shipped product includes hardware that has been accepted by or delivered to Electric Boat, which includes material placed in bonded storage (shipped-in-place) at the supplier's facility. If it is determined by a supplier that a newly discovered non-conformance or latent defect affects previously accepted or shipped hardware, Electric Boat Purchasing and Supplier Quality must be provided with immediate verbal notification and subsequent written documentation.

Written notification can be accomplished by submitting a Letter of Advisement directly to the Electric Boat Purchasing and Supplier Quality personnel listed in Section 9.3 of Electric Boat Specification 2678J. The Letter of Advisement should provide sufficient detail to enable timely action to preclude adverse impact on ship or personnel safety or equipment performance. At a minimum, this includes a detailed description of the non-conformance and/or safety concern, purchase orders/product affected, and a recommendation regarding the acceptability of the affected hardware. Additionally, in response to the SCAR that will be initiated by Electric Boat following notification of the non-conformance, the supplier will be required to provide a root cause analysis, corrective and preventive actions taken, and any applicable recommendations considered necessary to prevent reoccurrence in the future.

3. Electric Boat will use the supplier information discussed above to assess the severity of the non-conformance and its impact on product quality, ship's integrity and/or personnel safety. Your diligence in providing timely, thorough and accurate information is critical to this assessment and the final resolution of the issue.
4. Please share this lessons learned letter with appropriate personnel within your organization and with your subtier suppliers. Should further discussion regarding this subject be required please contact Ms. Carol Pepin, Electric Boat Supplier Quality, at (860) 433-6177 or by email at cpepin@gdeb.com

Very Truly Yours,



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