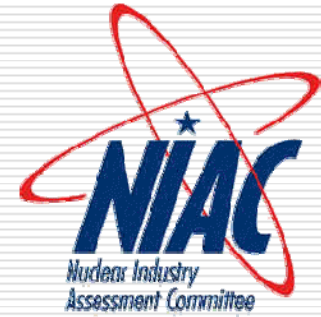


Nuclear Industry Assessment Committee Overview



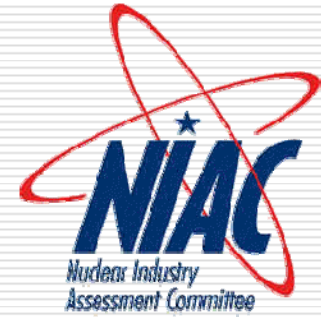
NRC Workshop on Vendor Oversight
for New Reactor Construction

December 10, 2008

Rosalie Nava

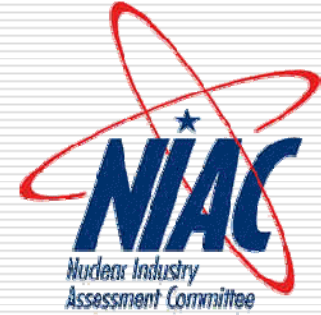
Crane Nuclear, Inc.

NIAC Chairman



Presentation Overview

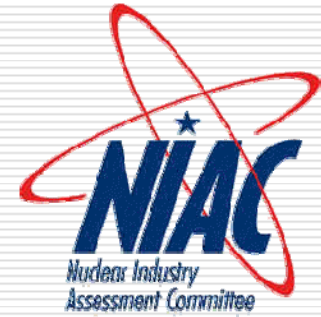
- Brief history of NIAC
 - Organizational structure
 - Membership requirements
 - Benefits / recent audit activity
 - Comparison of NIAC / NUPIC approaches
 - Successes
 - Member Website
 - Recent Issues
 - Summary
-



History

- Founded in 1994
 - 11 Charter members
 - Patterned after the NUPIC concept to share audits with some unique differences
 - Needed to address the anti-trust (collusion) aspects of competitors sharing audits
 - Sharing arrangement uses an innovative ratio technique to address assessments
-

Organizational Structure



- Executive Officers
 - Steering Committee
 - Compliance Committee
 - General Membership
-



Organizational Structure

Executive Officers

- Chairman Rosalie Nava
Crane Nuclear, Inc.
 - Vice-Chair Ed Stankiewicz
Joseph Oat Corporation
 - Secretary Rusty DeKleine
Enertech,
Div. of Curtiss Wright Flow Control
 - Treasurer John Salasky
Axion Technical Services Company
-



Organizational Structure

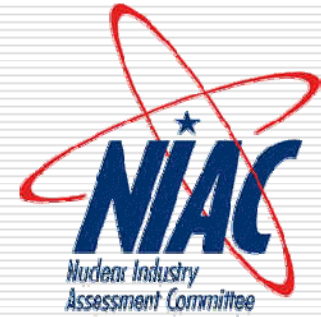
Steering Committee

- Executive Officers
 - Responsible for the general direction of NIAC activities
 - Up to 8 additional elected members
 - Control and issuance of NIAC documents
 - Meeting minutes, procedures, checklists, audit schedules
 - Administration of NIAC funds
 - Identify matters for general membership approval
 - Issues of noncompliance
 - Membership fee and dues
 - Changes to NIAC Charter and Operating Procedures
-



Organizational Structure

- **Compliance Committee**
 - Led by an elected chair person
 - Identify noncompliance issues for Steering Committee or General Membership action
 - **Charter issues**
 - Member attendance at the annual meeting
 - On time performance of scheduled audits and follow-up
 - **Evaluate Compliance Assessment Issues**
 - Late performance of assessments or reporting
 - Lack of follow-up
 - Quality Issues
-



Organizational Structure

- General Membership
 - 104 Members
 - Plan the NIAC Assessment Schedule
 - Participate in the NIAC Training Process
 - Provide program and auditor information for the annual and triennial NIAC Member Audit.
 - Obtain supplier authorization to perform a NIAC Assessment and to share results
 - Provide assessment plans / reports and follow-up information to sharing members
-



Membership Requirements

- Open to suppliers having a 10CFR50 Appendix B or equivalent DOE quality program
- Lead Auditors must be certified to ASME NQA-1 / ANSI N45.2.23
 - Minimum of 10 credits
 - Qualified by written examination
 - Provide objective evidence that supports Lead Auditor Qualification Certs for audit review and acceptance
- Conduct supplier assessments as a safety-related service
- Attend annual membership meeting in November



Benefits

- Supplier quality assurance programs are assessed using a consistent method
- Member companies save on audit costs by the sharing of assessment results
- Suppliers save on audit costs by a reduction in the number of assessments performed
- Members typically receive a 3-to-1 ratio on assessments

Collectively NIAC members have improved the quality of our audit processes to benefit of our customers as well as our industry

Recent Assessment Activity



- NIAC Shared Assessments
 - 2005 – 100 Assessments Performed
 - 2006 – 118 Assessments Performed
 - 2007 – 122 Assessments Performed
 - 2008 – 132 Assessments Performed
 - 2009 – 121 Assessments Planned

Estimated aggregate member savings over last 5 years is \$2.5 Million



Comparison NIAC / NUPIC

- Organization and Objectives
 - Similar approaches and goals
 - Executive leadership / committees
- Audit performance
 - Equitable sharing arrangement
 - NUPIC performs joint assessments
 - NIAC charter prohibits joint assessments
 - Members evaluate supplier assessments for acceptance under their individual QA programs
- Similar benefits and cost savings to participating members
- Provides a consistent and effect audit process
- Approaches have achieved industry acceptance



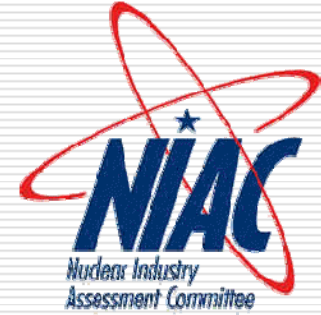
Successes

- Ability to obtain an assessment on the same day for a new supplier that another NIAC Member previously performed
 - Ability to obtain some overseas assessments without the travel
 - Adapting to the international needs with an increased number of European and Asian supplier assessments
-



Member Website

- NIAC Member website (www.niacusa.org)
 - Meeting Minutes
 - NIAC Training Module
 - Documented Training Records
 - NIAC Triennial and Annual Audits
 - Approved documents
 - Blank Audit Checklists and other forms
 - NIAC Charter and other governing procedures
 - Frequently Asked Questions
-



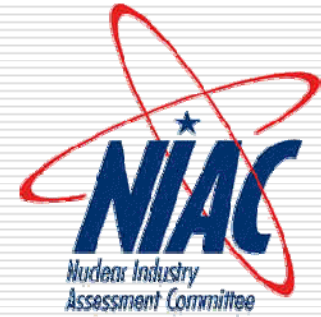
Recent Issues

- NIAC Members do not always provide the same answers
 - QA Programs differ between members
 - Member quality program audit issues
 - A member's QA program shall define how 3rd party assessments are performed and accepted
 - Member shall demonstrate review and acceptance of 3rd party assessments
 - Members sharing assessments shall document their review and acceptance
-

Summary



- 2009 Membership – 104 NIAC Members
 - Process continues to be stable and efficient
 - Participating members and suppliers in the nuclear industry continue to benefit from the NIAC Member assessments
 - Managing the challenges associated with growth
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NIAC Website

Visit us @ WWW.NIACUSA.ORG