

May 6, 2010

MEMORANDUM TO: Thomas G. Hiltz, Chief
Advanced Fuel Cycle, Enrichment,
and Uranium Conversion Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

FROM: M. Breeda Reilly, Senior Project Manager **/RA/**
Advanced Fuel Cycle, Enrichment,
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Division of Fuel Cycle Safety
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Office of Nuclear Material Safety
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SUBJECT: APRIL 27, 2010, TELECONFERENCE SUMMARY, AREVA
ENRICHMENT SERVICES EAGLE ROCK ENRICHMENT
FACILITY, CLARIFICATION OF REQUEST FOR EXEMPTION
FROM TITLE 10 OF THE *CODE OF FEDERAL REGULATIONS*
21.3 DEFINITIONS

On April 27, 2010, the U.S. Nuclear Regulatory Commission's staff held a telephone conference call with staff from AREVA Enrichment Services (AES) to clarify AES's request for an exemption from Title 10 of the *Code of Federal Regulations* (10 CFR) 21.3 definitions (ADAMS Accession Number ML100341185, dated January 29, 2010). The summary of this call is enclosed. The summary contains no proprietary or classified information.

Docket No.: 70-7015

Enclosure: As stated

cc: Jim Kay, Licensing Manager
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DATE	05/04/10	5/06/10	5/06/10

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Telephone Conference Call Summary

AREVA Enrichment Services Clarification of Request for Exemption from Title 10 of the *Code of Federal Regulations* 21.3 Definitions

DATE AND TIME: 9:00 A.M. (EDT); April 27, 2010

CALL PARTICIPANTS: D. Arroyo, U.S. Nuclear Regulatory Commission (NRC)
B. Reilly, NRC
J. Kay, AREVA Enrichment Services (AES)
E. Weiner, AES

During the conference call, the staff discussed AES's request for an exemption from the Title 10 of the *Code of Federal Regulations* (10 CFR) 21.3 definitions (ADAMS Accession Number ML100341185, dated January 29, 2010). The staff has been reviewing the exemption request and identified two issues requiring clarification by AES. These issues concern the proposed definition of "basic component" in the exemption request and the quality assurance program description (QAPD).

The NRC staff asked AES to clarify if there are any quality assurance (QA) Level 2 items that are not considered to be basic components and to explain any procurement differences among any basic components that are considered QA Level 1 and those considered QA Level 2.

AES stated that all QA Level 2 items relied on for safety (IROFS) that involve hardware are considered to be basic components. QA Level 2 IROFS that are purely administrative (no hardware or component involved) are not considered to be basic components.

AES pointed to Section 2 of the QAPD as providing high-level bullets identifying the main differences between QA Level 1 and QA Level 2. AES also pointed to Section 7 of the QAPD as providing information on specific differences. Section 7.4 describes the methods used for supplier approval, acceptance of items or services, and acceptance of supplier nonconformances. The primary differences between QA level 1 and QA Level 2 are described in Sections 7.4.1 and 7.4.6 of the QAPD.

In Section 7.4.1 of the QAPD, AES commits to performance of pre-award evaluations of a supplier's capability. The five bullets list the methods that AES will use for these evaluations. The first bullet discusses supplier history of providing an identical or similar product that performs satisfactorily in actual use. This bullet also states that for QA Level 1 items, at least one other method of supplier evaluation is used in addition to performance history."

Section 7.4.6 of the QAPD identifies methods of acceptance of items or services. This section states that for QA Level 1 items, a Certificate of Conformance plus one or more of the other methods, listed in Section 7.4.6, is used to establish acceptance of items. In addition, for QA Level 2 items, any one or more of the methods listed in Section 7.4.6 is used to establish acceptance of items. Receiving inspections and post-installation testing will be conducted on all QA Level 1 and QA Level 2 IROFS.

Enclosure

The NRC staff asked AES to clarify when commercial grade dedication was applicable to Quality Level 2 items. AES stated that any components—Quality Level 1 or Quality Level 2—that are not manufactured under an approved QA program will be dedicated.

The NRC also asked AES to clarify the statement in the exemption request that “[w]hen applying the requested exemption, AES will implement a revised commercial grade item procurement strategy and dedication process, in which AES or its approved subcontractor will assume full responsibility as the Dedicating Entity in cases where AES or its approved subcontractor applies the commercial grade item procurement strategy, for compliance with identifying and evaluating deviations, reporting defects and failure to comply for the dedicating item, and maintaining auditable records of the dedication process.” The NRC staff asked AES to clarify if information related to the dedicating entity will be added to the contents of Eagle Rock Enrichment Facility QAPD.

AES pointed to Section 7.5.7 of the QAPD which states: “Dedication of a Commercial Grade Item or service occurs when that item is accepted in accordance with the above requirements (referring to 7.5.1 through 7.5.6). AES assumes 10 CFR 21 reporting responsibility for all items that AES dedicates as QA Level 1 or QA Level 2.” AES clarified that the intent of this section was to identify that the component becomes a basic component upon completion of dedication activities and that when AES is the dedicating entity, AES will assume the 10 CFR 21 reporting responsibilities. If AES has approved a supplier for the supply of QA Level 1 or QA Level 2 IROFs, AES’ approval will include an evaluation of the supplier’s capability to perform Commercial Grade Dedication. If the AES-approved supplier is the procurement entity for the commercial grade item and completes all the dedication requirements, then the supplier will be providing to AES a basic component and, as the dedicating entity, will assume the 10 CFR reporting responsibilities.

The NRC staff had no further questions.

AES has had the opportunity to review and comment on this summary.