

December 2, 2010

MEMORANDUM TO: Stephen Dingbaum
Assistant Inspector General for Audits

FROM: Michael R. Johnson /RA/
Director, Office of New Reactors

SUBJECT: RESPONSE TO OFFICE OF THE INSPECTOR GENERAL'S
MEMORANDUM, "STATUS OF RECOMMENDATIONS: AUDIT
OF NRC'S QUALITY ASSURANCE PLANNING FOR NEW
REACTORS (OIG-10-A-02)," DATED AUGUST 17, 2010.

In your letter dated August 17, 2010, the Office of the Inspector General (OIG) provided an analysis and status of recommendations as discussed in the staff's memoranda dated December 17, 2009, and May 26, 2010, in response to the OIG audit, OIG-10-A-02, "Audit of NRC's Quality Assurance Planning for New Reactors," dated November 16, 2009. Based on the OIG analysis, the staff understands that recommendations 1 and 2 are closed and that recommendations 3 and 4 are resolved. This update describes the additional actions taken by the Office of New Reactors (NRO) to address recommendations 3 and 4 in OIG-10-A-02.

OIG recommendations 3 and 4 relate to the quality of translated documents and the associated impacts on licensing and inspection activities. Your August 17, 2010, letter states, in part, that part (a) of recommendation 3 will be closed when the NRC provides documentation of its determination of the impacts of translated documents on both the NRC's and the industry's ability to assess the quality of foreign-supplied safety-related parts and services for new nuclear power plants. In addition, your letter states, in part, that part (b) of recommendation 3 will be closed when the NRC provides documentation of its determination of the impacts of translated documents on both the NRC's and the industry's oversight.

The nuclear industry has been procuring parts and components from foreign suppliers for many years. While language translation, not unlike engineering units conversion, translation of higher level design information into procurement specifications, or other similar conversion processes, has the potential to introduce errors, neither OIG nor the staff has identified any specific licensing or inspection issues that have arisen as a result of translated documents. In an effort to further explore this issue, NRO conducted a review of the NRC's operating experience database (i.e., licensee event reports and reports under Title 10 of the *Code of Federal Regulations* (10 CFR) Part 21, "Reporting of Defects and Noncompliance") to determine if any of these reports were attributed directly or indirectly to document translation issues. Licensee event reports (LER) and Part 21 reports are submitted to NRC by licensees and/or their suppliers. 10 CFR 50.73, "Licensee Event Report System," requires licensees to submit an LER for any event described therein including cases of procedural error, equipment failure, and/or discovery of design, analysis, fabrication, construction, and/or procedural inadequacy. Section 50.73 also requires licensees to perform an assessment of the safety consequences and implications of the event. Part 21 requires licensees and suppliers of basic components to evaluate deviations to identify defects that could create a substantial safety hazard. Through

these assessments and evaluations, licensees and the nuclear industry determine the impact of events, deviations, and defects on components and services. In addition a determination of cause is completed to ensure that corrective actions are appropriate and effective. The staff expects that if translation of documents is a contributing cause, that it would be revealed by this process. As documented in the assessment report, "Assessment of Potential Impact of Document Translations," dated October 27, 2010 (Agencywide Documents Access and Management System (ADAMS) Accession Number ML102920478), the staff's review of operating experience did not identify any objective evidence to indicate that document translation has resulted in a safety-significant issue for the past 10 years (i.e., over 1000 reactor-years of operation).

The staff did not attempt to ascertain the fidelity of individual translated documents, most of which are not submitted to the NRC, as noted by the OIG letter. Rather, this review sought to identify any reportable events that may have had a nexus to document translation issues. By looking at safety outcomes and their relationship to translation issues, some judgments can be made as to the magnitude of the totality of impacts from translated documents, including the impacts on assessing the quality of parts and service, and QA oversight.

In addition, this review effort was supplemented by an informal survey of regulatory authorities from several countries associated with the Vendor Inspection Cooperation Working Group under the auspices of the Multinational Design Evaluation Program that sought to ascertain the impact, if any, of translated documents on their regulated activities. None were identified.

On these bases, the NRC staff has determined that translated documents have not had a discernible impact on the ability of both NRC and industry to provide oversight of or to assess the quality of parts and services.

For recommendation 4, your letter stated, in part, that the recommendation will be closed when the NRC provides determinations for both parts of recommendation 3, and incorporates the results of the determinations into the NRC's quality assurance oversight activities. Additionally, the OIG analysis of the NRC response determined that Inspection Manual Chapter (IMC) 2507, "Construction Inspection Program: Vendor Inspections," as revised by the staff on April 27, 2010, did not establish expectations that translators and interpreters will be used as necessary to ensure that the use of foreign-language documents or communication with foreign-language speakers does not degrade the quality of the inspection. NRO believes that clear expectations in this regard have been established under Section 06.06, "Inspection Language Services," of IMC 2507 which specifically states that "translators and/or interpreters will be used as needed to support NRO foreign vendor inspections." NRO continued to use translators, interpreters, or both for all foreign vendor inspections conducted in Sweden, Italy, and Japan since the issuance of the May 26, 2010, letter. However, to preclude any ambiguity, IMC 2507 will be further revised to adopt the OIG language. We also plan to update the corresponding inspection procedures to include guidance on the use of translators and/or interpreters to sample foreign language documents to verify that translation issues do not adversely impact activities inspected. These updates will be implemented no later than March 31, 2011.

Finally, should any of our inspections identify a safety-related issue associated with translation of documents, we will take prompt and appropriate follow-up actions to ensure the issue is adequately addressed and will also consider the need for generic communications to inform and share such matter with the nuclear industry.

The staff considers these actions to be responsive to the OIG audit findings. If you have any questions or would like to discuss this topic further, please contact me or Mr. Juan Peralta at 301-415-6621.

The staff considers these actions to be responsive to the OIG audit findings. If you have any questions or would like to discuss this topic further, please contact me or Mr. Juan Peralta at 301-415-6621.

DISTRIBUTION: EDATS: OEDO-2010-0690(Ref G20100529)

DCIP R/F	JArildsen, OEDO	RidsNroOd	RidsOgcMailCenter
CQVP R/F0210	RidsNroDcip	RidsNroDcipCqva	RidsEdoMailCenter
KKavanagh,	RidsNroDnrl	RidsNroMailCenter	DDiaz-Toro, OEDO
JGordon, OIG	SDingbaum, OIG	SZane, OIG	

ADAMS Accession Number: ML103020267 response via email * -004

OFFICE	DCIP/CQVA	TECH ED *	DCIP: DD	NRO: DD (A)
NAME	KKavanagh	KAzariah-Kribbs*	MShuaibi (<i>JTappert for</i>)	GTracy
DATE	11/8/10	10/29/10	12/02/2010	12/02/2010
OFFICE	NRO:OD			
NAME	MJohnson			
DATE	12/02/2010			

OFFICIAL RECORD COPY