EDO Principal Correspondence Control

FROM: DUE: 04/29/11 EDO CONTROL: G20110073
DOC DT: 01/31/11
FINAL REPLY:

Stephen D. Dingbaum, OIG

TO:

Borchardt, EDO

FOR SIGNATURE OF : ** GRN ** CRC NO:

Johnson, NRO

DESC:

Status of Recommendations: Audit of NRC's Quality Assurance Planning for New Reactors (OIG-10-A-02) (EDATS: OEDO-2011-0091)

ROUTING:

Borchardt
Weber
Virgilio
Ash
Muessle
OGC/GC
Arildsen, OEDO

DATE: 01/31/11

ASSIGNED TO: CONTACT:

NRO Johnson

SPECIAL INSTRUCTIONS OR REMARKS:

Please provide response to Stephen D. Dingbaum, OIG. Be sure to include the target completion date and identify the current point-of-contact. Forward final memo via email (Forward as Attachment) to Judy Gordon, cc: Stephen Dingbaum, Steven Zane and RidsEdoMailCenter by April 29, 2011. If applicable, be sure to attach in email any Enclosures to the response.

Template: EDO-001 E-RIDS: EDO-01

EDATS

Electronic Document and Action Tracking System

EDATS Number: OEDO-2011-0091 **Source:** OEDO

General Information

Assigned To: NRO **OEDO Due Date:** 4/29/2011 11:00 PM

Other Assignees: **SECY Due Date:** NONE

Subject: Status of Recommendations: Audit of NRC's Quality Assurance Planning for New Reactors (OIG-10-A-02)

Description:

CC Routing: NONE

ADAMS Accession Numbers - Incoming: NONE **Response/Package:** NONE

Other Information

Cross Reference Number: G20110073, OIG-10-A-02 **Staff Initiated:** NO

Related Task: **Recurring Item:** NO

File Routing: EDATS **Agency Lesson Learned:** NO

OEDO Monthly Report Item: NO

Process Information

Action Type: Memo **Priority:** Medium

Sensitivity: None

Signature Level: NRO **Urgency:** NO

Approval Level: No Approval Required

OEDO Concurrence: NO

OCM Concurrence: NO

OCA Concurrence: NO

Special Instructions: Please provide response to Stephen D. Dingbaum, OIG. Be sure to include the target completion date and identify the current point-of-contact. Forward final memo via email (Forward as Attachment) to Judy Gordon, cc: Stephen Dingbaum, Steven Zane and RidsEdoMailCenter by April 29, 2011. If applicable, be sure to attach in email any Enclosures to the response.

Document Information

Originator Name: Stephen D. Dingbaum **Date of Incoming:** 1/31/2011

Originating Organization: OIG **Document Received by OEDO Date:** 1/31/2011

Addressee: R. W. Borchardt, EDO **Date Response Requested by Originator:** 4/29/2011

Incoming Task Received: Memo

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

OFFICE OF THE
INSPECTOR GENERAL

January 31, 2011

MEMORANDUM TO: R. William Borchardt
Executive Director for Operations

FROM: Stephen D. Dingbaum **/RA/**
Assistant Inspector General for Audits

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S QUALITY ASSURANCE PLANNING FOR NEW REACTORS (OIG-10-A-02)

REFERENCES: DIRECTOR, OFFICE OF NEW REACTORS, MEMORANDUM DATED DECEMBER 2, 2010

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the agency's response memorandum dated December 2, 2010. Based on this response, recommendation 3 is closed and recommendation 4 remains resolved. Recommendations 1 and 2 were closed previously. Please provide an update for recommendation 4 by April 29, 2011.

If you have questions or concerns, please call me at 415-5915, or RK Wild, Team Leader, at 415-5948.

Attachment: As stated

cc: M. Muessle, OEDO
J. Andersen, OEDO
J. Arildsen, OEDO
C. Jaegers, OEDO

Audit Report

AUDIT OF NRC'S QUALITY ASSURANCE PLANNING FOR NEW REACTORS

OIG-10-A-02

Status of Recommendations

Recommendation 3: Determine how the quality of translated documents impacts:

a) NRC and industry ability to assess the quality of foreign-supplied safety-related parts and services to new nuclear power plants.

b). NRC and industry QA oversight, including licensing and inspection activities.

Agency Response Dated December 2, 2010: 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, it would be revealed by this process. As documented in the assessment report, "Assessment of

Recommendation 3 (continued):

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 1,000 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.

OIG Analysis:

OIG reviewed NRO's assessment document which—along with an informal survey of foreign country regulators—constitutes the agency's determination of the impacts of translated documents on the ability of both NRC and industry

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Status of Recommendations

Recommendation 3 (continued):

to provide oversight, or assess the quality, of parts and services. The agency has concluded that translated documents have not had a discernable impact on the ability of NRC or industry to provide oversight or assess the quality of parts and services. This recommendation is therefore considered closed.

Status: Closed.

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OIG-10-A-02

Status of Recommendations

Recommendation 4: Incorporate results of the assessments into NRC's QA oversight activities.

Agency Response Dated December 2, 2010: 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.

Target date for completion: March 31, 2011.

OIG Analysis: The proposed action meets the intent of the recommendation. This recommendation will be closed when OIG reviews a copy of the further revised IMC 2507 and corresponding inspection procedures and determines that

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AUDIT OF NRC'S QUALITY ASSURANCE PLANNING FOR NEW REACTORS

OIG-10-A-02

Status of Recommendations

Recommendation 4 (continued):

the changes 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.

Status: Resolved.