

Overview of Industry Action Plan to Address Counterfeit, Fraudulent, and Suspect Items (CFSI)

NRC Public Meeting
February 13, 2013



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Preview

- **Industry objectives**
- **NRC Response to CFSI Concerns**
- **Industry Action Plan**
- **Related issues**
- **Summary**

Industry Objectives

- **Sustain effectiveness of U.S. nuclear industry protections against ingress of CFSI**
- **Assess current practices in light of changing global marketplace and CFSI experience in other countries/industries, and consider enhancements as needed**
- **Scope includes companies who supply or receive items intended for use in safety-related applications**



Renewed Focus on CFSI

- **Increase in CFSI worldwide and in other industries**
- **September 2010 NRC OIG Report**
- **Government and university studies**
- **Increased use of digital technology**
- **New plants**

NRC Response to CFSI Concerns

- **SECY-11-0154 describes NRO-led actions**
- **Actions identified in five areas**
 - **Industry process enhancements and best practices**
 - **Regulatory guidance**
 - **Communication**
 - **Training**
 - **Industry oversight for detecting & preventing CFSI**
- **Proposed proactive strategies for industry**
- **Stakeholder interactions**



Industry Actions to Date

- **Provided input to NRC CFSI vulnerability assessment**
- **EPRI guidance on CFSI and self-assessment tool; initial assessments completed**
- **NUPIC and NIAC process enhancements**
- **Recent INPO Event Report**
- **NEI CFSI Team working to identify potential enhancements to current industry practices**

NEI CFSI Team

- **Utilities**
- **Suppliers**
- **EPRI**
- **INPO**
- **DOE**
- **Reps from NQA-1, NUPIC, NIAC**

NRC-Proposed Proactive Strategies

Strategy

- A.** Develop a plan for implementing proactive CFSI strategies
- B.** Develop a method for sharing CFSI Information, including issues identified during receipt inspection and commercial grade dedication
- C.** Develop an industry accepted practice for using the corrective action program and nonconformance programs for entering CFSI related to safety related components
- D.** Develop an industry accepted practice for using the corrective action program to enter non-safety related CFSI into the corrective action program
- E.** Establish an industry CFSI database

Industry Actions

- Initiated – ongoing
- Clarify and enhance existing guidance
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- Clarify and enhance existing guidance
- Expand access to existing industry databases

NRC-Proposed Proactive Strategies (cont.)

Strategy

- F.** Incorporate industry best practices for quarantining CFSI items and removing them from supply chain without returning them to supplier
- G.** Incorporate industry best practices for identifying and informing the industry of CFSI trends
- H.** Incorporate industry best practices for enhancing commercial-grade dedication, and receipt inspection practices to account for CFSI
- I.** Incorporate industry best practices for product authentication of complex items that will provide additional assurance for preventing CFSI
- J.** Incorporate industry best practices for using batch sampling with authentication testing
- K.** *Incorporate industry best practices for the use of standardized anti-CFSI language in procurement documents*

Industry Actions

- **Industry self-assessment underway; results to inform enhanced CFSI guidance**

Industry Action Plan

- **Expand use of EPRI self-assessment tool industrywide (1Q13)**
 - Request sent to NEI members Feb. 11
- **Share self-assessment information at NUPIC and NIAC annual meetings in June (2Q13)**
- **Assess results of self-assessment (3Q13)**
 - Identify common gaps in current practice
 - Identify potential enhancements to EPRI CFSI guidance

Industry Action Plan (cont.)

- **Address key CFSI issues associated with NRC-proposed proactive strategies (2013)**
 - Reporting/sharing, Authentication, Quarantine
 - Other issues as identified
- **Revise/supplement EPRI CFSI guidance and request NRC review/endorsement (2013-14)**
- **Workshops to support industry implementation (2014)**
- **NRC interactions as needed (2013-14)**

Summary

- **Industry plans to:**
 - **Self-assess**
 - **Work w/NRC to resolve key issues**
 - **Enhance available CFSI guidance and seek NRC endorsement**
 - **Conduct workshops to support industry implementation**
 - **Coordinate with stakeholders**