

UNITED STATES
NUCLEAR REGULATORY COMMISSION
OFFICE OF NUCLEAR REACTOR REGULATION
OFFICE OF NEW REACTORS
WASHINGTON, DC 20555-0001

May 5, 2014

**NRC REGULATORY ISSUE SUMMARY 2014-07
ENHANCEMENTS TO THE VENDOR INSPECTION PROGRAM -
VENDOR INFORMATION REQUEST**

ADDRESSEES

All holders of an operating license or construction permit for a nuclear power reactor or a non-power reactor under Title 10 of the *Code of Federal Regulations* (10 CFR) Part 50, "Domestic Licensing of Production and Utilization Facilities," except those who have permanently ceased operations and have certified that fuel has been permanently removed from the reactor vessel.

All holders of and applicants for a power reactor early site permit, combined license, standard design certification, standard design approval, or manufacturing license under 10 CFR Part 52, "Licenses, Certifications, and Approvals for Nuclear Power Plants."

All contractors, vendors (C/Vs), and suppliers including applicants after the issuance of a final design certification rule that supply basic components¹ and safety-related parts and services to U.S. Nuclear Regulatory Commission licensees under 10 CFR Part 50 or 10 CFR Part 52.

INTENT

The U.S. Nuclear Regulatory Commission (NRC) is issuing this regulatory issue summary (RIS) to inform addressees of the NRC staff's enhanced Vendor Inspection Program (VIP) and its efforts to seek information regarding C/Vs and suppliers of basic components, (i.e., safety-related parts and services). This information will assist the NRC in assessing the number and variety of C/Vs and suppliers of basic components and safety-related services for planning of resources, inspections, and future communications.

This RIS does not transmit or imply any new or changed requirements or staff positions. Submission of respondent information in response to this RIS is strictly voluntary. Although no specific action or written response is required, this voluntarily supplied information will enable the NRC to more effectively use its resources, coordinate inspections and improve the communication link between the addressees and the NRC.

BACKGROUND INFORMATION

Licensees and applicants are responsible for the safety of facilities licensed by the NRC. As such, they are responsible for ensuring that their C/Vs and suppliers meet applicable

¹Reference 10 CFR Part 21, "Reporting of Defects and Noncompliance" for more specific information regarding applicability (scope) and for the definition set forth for "basic component."

regulations and requirements (both technical and quality) in procurement documents. To ensure that licensees are meeting the regulatory requirements in this area, the NRC implements the VIP.

In January 2012, the NRC staff issued the VIP Plan, which includes key program planning elements for the VIP. The VIP Plan can be located in the Agencywide Documents Access and Management System (ADAMS) with Accession No. ML13239A500. The plan establishes overall strategy, goals, and methodologies for setting priorities, identifying performance metrics, and managing resources. The VIP verifies that reactor applicants and licensees are fulfilling their regulatory obligations with respect to providing effective oversight of the supply chain. It accomplishes this through a number of activities, including performing various inspections that will verify the effective implementation of the supplier's, contractor's and vendor's quality assurance program, establishing a strategy for identification and selection criteria of vendors, and ensuring vendor inspectors obtain necessary knowledge and skills to perform these inspections. In addition, the VIP addresses interactions with nuclear consensus standards organizations, industry and external stakeholders, and international constituents.

The NRC conducts routine and reactive inspections to verify that C/Vs and suppliers maintain an effective system for reporting defects under the requirements of 10 CFR Part 21, "Reporting of Defects and Noncompliance," and maintain effective implementation of commercial-grade dedication programs for safety-related materials, equipment, and procured services. The NRC also conducts inspections at these various facilities to support the determination that certain inspections, tests, analyses, and acceptance criteria are met in accordance with 10 CFR 52.99, "Inspection during Construction," and 10 CFR 52.103 "Operation under Combined License." Additionally, the NRC performs direct oversight of licensees by observing Nuclear Procurement Issues Committee (NUPIC) audits.

The VIP also includes support for higher level agency programs, such as the following:

- supporting the NRC's Allegations and Enforcement Programs
- participating in Consensus Standard Organizations, such as the American Society of Mechanical Engineers' Boiler and Pressure Vessel Code committees
- engaging industry stakeholders, such as NUPIC, the Nuclear Energy Institute, and the Electric Power Research Institute Joint Utility Task Group
- interfacing with international regulators through the Multinational Design Evaluation Programme Vendor Inspection Cooperation Working Group
- issuing generic communications and conducting other outreach activities, such as holding workshops and issuing an annual newsletter.

As stated earlier, the VIP Plan is available in ADAMS at Accession No. ML13239A500.

Alternatively, the VIP Plan can be found on the Vendor Quality Assurance Inspections page of the NRC public Web site at:

<http://www.nrc.gov/reactors/new-reactors/oversight/quality-assurance/vendor-insp.html>.

SUMMARY OF ISSUE

The NRC is populating an internal database of C/Vs and suppliers information in support of the VIP Plan. The NRC currently obtains this information from the following sources:

- Notifications submitted under 10 CFR 21.21, "Notification of Failure to Comply or Existence of a Defect and its Evaluation"
- Notifications submitted under 10 CFR 50.72, "Immediate Notification Requirements for Operating Nuclear Power Reactors"
- Reports submitted under 10 CFR 50.73, "Licensee Event Report System"
- Interactions with industry organizations and voluntary consensus standards organizations
- Formal and informal communication with licensees, applicants, and engineering, procurement and construction contractors, and allegations

The NRC believes that these sources of information do not completely capture the number and variety of C/Vs and suppliers of basic components and safety-related services to the operating and new power reactors. Therefore, the NRC is seeking more comprehensive information on C/Vs and suppliers. The collected information will assist the NRC in assessing the number and variety of C/Vs and suppliers of basic components and safety-related services for resource and inspection planning. The collected information will also facilitate improved communication between the NRC and these C/Vs and suppliers.

VOLUNTARY RESPONSE

The NRC is seeking information on C/Vs and suppliers of basic component/safety-related services to the operating and new power reactors and applicants. If a respondent deems this information proprietary, a request to withhold information from public disclosure under 10 CFR 2.390, "Public Inspections, Exemptions, Requests for Withholding," must accompany the information. RIS 2004-011, "Supporting Information Associated with Requests for Withholding Proprietary Information," (ADAMS Accession No. ML041180231), dated June 29, 2004, provides additional information about requests for withholding proprietary information from public disclosure. The NRC asks potential respondents to request withholding only for information that they currently treat as proprietary and to provide, where necessary, the proprietary information in designated attachments to their response to this RIS request.

If an addressee chooses to provide a voluntary response, the NRC would like to obtain the information within 45 days of the date of this RIS. Respondents (licensees and applicants for new or existing reactors and/or their various C/Vs and suppliers) should provide the NRC with the following information, based on current, readily available information in a format of the respondent's choice:

- Company name
- Address
- Point of contact's name
- Point of contact's business e-mail address
- Telephone number
- Scope of supply (i.e., valves, pumps, electric motors, parts, design services, etc.)
- Comments

Respondents that choose to provide a voluntary response should send it to:

U.S. Nuclear Regulatory Commission,
ATTN: Document Control Desk / (Information for NRO/DCIP/EVIB)
Washington, DC 20555-0001.

Respondents may also submit their responses electronically. Detailed guidance appears on the NRC's Web site at: <http://www.nrc.gov/site-help/e-submittals.html>.

Alternatively, respondent's information may be entered / updated individually using the Vendor Registration Form. If a respondent desires the information to be treated as proprietary by the NRC, then the request should be detailed in the comment section of the form and the notification procedures listed on the form must be followed. The Vendor Registration Form can be found on the NRC website at the following address:

<http://www.nrc.gov/reactors/new-reactors/oversight/quality-assurance/vendor-insp/vendor-reg-form.html>.

BACKFIT DISCUSSION AND ISSUE FINALITY

This RIS requests, but does not require, the addressees to collect data concerning C/Vs and suppliers of basic components and safety-related services to operating and new power reactors, and to voluntarily submit the data to the NRC. Information collection and reporting activities are not within the purview of either the Backfit Rule, 10 CFR 50.109, or the applicable issue finality provisions in 10 CFR Part 52 (§§ 52.63, 52.83 and 52.98). Moreover, this RIS does not require any action or written response; any information collection and reporting undertaken by an addressee in response to this RIS is strictly voluntary. Therefore, even if this action were considered to fall within the purview of the Backfit Rule and applicable issue finality provisions, it would not be considered backfitting as defined in § 50.109(a)(1), nor would it constitute an action for which the issue finality criteria in §§ 52.63, 52.83 and 52.98 would have to be addressed. Therefore, the NRC staff did not further address backfitting or address the applicable issue finality criteria in Part 52.

FEDERAL REGISTER NOTIFICATION

The NRC did not publish in the *Federal Register* a notice of opportunity for public comment on this RIS because it pertains to an administrative aspect of the regulatory process that involves the voluntary submission of information on the part of the addressees.

CONGRESSIONAL REVIEW ACT

This RIS is not a rule as designated by the Congressional Review Act (5 U.S.C. §§ 801-808) and, therefore, is not subject to the Act.

PAPERWORK REDUCTION ACT STATEMENT

This vendor registration contains information collections that are covered by the Office of Management and Budget (OMB) clearance number 3150-0220, which expires 04/30/17. The information provided will be used by the Nuclear Regulatory Commission to assist the NRC in assessing the number and variety of vendors of safety-related parts and services for resource and vendor inspection planning. The burden to the public for these voluntary information collections is estimated to average 4 hours and 30 minutes per response, (NRC estimates that it

will take 4 hours per response for licensees to generate and submit to the NRC an electronic or hard copy list of vendors from their vendor databases. The NRC estimates that it will take 30 minutes per response for licensees to register online through the vendor registration webpage), including the time for completing and submitting the information collection. Send comments regarding this burden estimate or any other aspect of these information collections, including suggestions for reducing the burden, to the FOIA, Privacy, Information Collection Branch (T-5 F53), U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, or by email to INFOCOLLECTS.RESOURCE@NRC.GOV; and to the Desk Officer, Office of Information and Regulatory Affairs, NEOB-10202, (3150-0220) Office of Management and Budget, Washington, DC 20503.

Public Protection Notification

The NRC may not conduct or sponsor, and a person is not required to respond to, a request for information or an information collection requirement unless the requesting document displays a currently valid OMB control number.

CONTACTS

Please direct any questions about this matter to the technical contact listed below.

/RA by Andrea D. Valentin for/

Michael C. Cheok, Director
Division of Construction Inspection
and Operational Programs
Office of New Reactors

/RA by Sher Bahadur for/

Lawrence E. Kokajko, Director
Division of Policy and Rulemaking
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ADAMS Accession No.: ML13168A215; *via e-mail **TAC MF2273**

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