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August 22, 2014

Mr. Michael C. Cheek
Director
Division of Construction Inspection and Operational Programs
Office of New Reactors
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Subject: Transmittal of *Plant Support Engineering: Counterfeit and Fraudulent Items: Mitigating the Increasing Risks*, Revision 1 of EPRI-1019163

Project Number: 689

Dear Mr. Cheek:

On behalf of the nuclear energy industry, the Nuclear Energy Institute (NEI)¹ is providing *Plant Support Engineering: Counterfeit and Fraudulent Items: Mitigating the Increasing Risks*, Revision 1 of EPRI-1019163. We are providing this EPRI report for the U.S. Nuclear Regulatory Commission's (NRC's) information because it represents the culmination of a constructive series of public interactions with the NRC staff related to counterfeit and fraudulent items (CFI). The EPRI guidance provides practical and effective measures that licensees and their suppliers can take to further reduce the potential for ingress of CFI.

The attached guidance incorporates, as appropriate, comments on a previous draft that were provided by NRC staff in a letter dated April 22, 2014. Some of the NRC comments were related to topics beyond the intended scope of the document and were not addressed.

We understand that the NRC is planning to issue a Regulatory Issue Summary (RIS) on counterfeit and fraudulent items, and a SECY paper to update the Commission on the staff's activities and stakeholder interactions related to CFI. As discussed in public meetings, compliance with existing NRC requirements, most notably 10 CFR Part 50, Appendix B, have been and continue to be adequate to address CFI.

¹ NEI is the organization responsible for establishing unified nuclear industry policy on matters affecting the nuclear energy industry, including the regulatory aspects of generic operational and technical issues. NEI's members include all utilities licensed to operate commercial nuclear power plants in the United States, nuclear plant designers, major architect/engineering firms, fuel fabrication facilities, materials licensees, and other organizations and individuals involved in the nuclear energy industry.

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We plan to provide the revised EPRI guide to, and encourage its use by, licensees and suppliers to enhance existing practices for prevention, detection and control of CFI. To heighten awareness, we believe it is important that the upcoming RIS and/or SECY paper identify and acknowledge the new EPRI report as an important source for useful information on effective CFI prevention, detection and control, as well as recent related actions taken by industry summarized in our letter dated April 14, 2014. To support industry implementation, EPRI will host a workshop on November 4, 2014, in Charlotte, N.C. The NRC has been invited to attend this workshop to provide its perspective on CFI related matters.

We trust that our frequent interactions and proactive industry activities are helpful to the staff in characterizing the industry's significant efforts to raise industry awareness, enhance available guidance, and encourage sharing of CFI information. If you have any questions or require additional information, please contact Marc Nichol (202-739-8131; mrm@nei.org) or me.

Sincerely,



Russell J. Bell

Attachment

c: Ms. Andrea D. Valentin, NRO/DCIP, NRC
Mr. Brian C. Anderson, NRO/DCIP/IGCB, NRC
Mr. Daniel J. Pasquale, NRO/DCIP/IGCB, NRC
NRC Document Control Desk