



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D. C. 20555-0001

April 13, 1994

MEMORANDUM FOR: Charles E. Rossi, Director  
Division of Reactor Inspection  
and Licensee Performance, NRR

FROM: Gary G. Zech, Chief  
Performance and Quality Evaluation Branch  
Division of Reactor Inspection  
and Licensee Performance, NRR

SUBJECT: SUMMARY OF THE FIRST NRC-INDUSTRY GRADED QUALITY ASSURANCE  
STEERING GROUPS MEETING ON MARCH 23, 1994

On March 23, 1994, the NRC graded quality assurance (QA) Steering Group met for the first time with their counterparts in the Industry Steering Group, consisting of NEI and industry representatives. (See Enclosure 1.)

The staff initiated the meeting by reiterating its support of the industry graded quality assurance (QA) initiative and emphasized the potential safety benefits to be gained by allowing both the industry and regulators to concentrate their limited resources on the most safety significant structures, systems, and components (SSCs). The staff added that in 1993 the NRC Regulatory Review Group had identified the need to examine the graded allocation of QA resources to SSCs based on their safety significance as one of its most important findings.

The staff repeated its earlier observations that current regulations, including Appendices A and B to 10 CFR 50, provide for the graded application of QA measures to SSCs commensurate with their intended safety function or significance. In the past, the staff has identified specific QA provisions or controls to be applied to non-safety-related, balance-of-plant (BOP) SSCs, to address regulatory concerns; or, when required within a specific regulation, e.g., 10 CFR 50.62, (Requirements for reduction of risks from anticipated transients without scram events) and 10 CFR 50.63 (Loss of all alternating current power).

The industry representatives expressed agreement with the staff on the importance of the graded QA effort and provided some background on the activities of their Appendix B and Regulatory Threshold working groups. They added that they remain encouraged by the support of the NRC staff to industry initiatives on the application of probabilistic safety assessment (PSA) technologies towards the resolution of motor-operated valve (MOV) and fire protection issues.

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*QA*

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The industry representatives stated that they envision the current graded QA effort, and its reliance on PSA tools, as the initial step towards an ultimate goal of revising current regulations to explicitly include PSA insights within their framework. They presented their key concepts for the implementation of the upcoming pilot program effort on graded QA (Enclosure 2), and the staff provided a list of issues that have remained unresolved or not yet conclusively addressed. (Enclosure 3.)

The staff remained receptive to the conceptual approach advocated by industry for implementing a graded QA program and acknowledged that, within the proper framework, it could yield the desired results during the pilot program efforts. However, the staff cautioned that it would be unable to assess the acceptability of NEI's approach until the guidance document, clearly delineating the process and its limitations, is provided to the staff for review and comment.

NRC and industry representatives exchanged questions and comments on the material presented and agreed to meet again on May 12, 1994, to continue their discussions and to assess the progress of their respective working groups.

Enclosure 1 is the meeting agenda, Enclosures 2 and 3 are copies of the material presented by industry representatives and the NRC staff, respectively, and Enclosure 4 is the list of meeting participants.

ORIGINAL SIGNED BY  
**GARY G. ZECH**  
 Gary G. Zech, Chief  
 Performance and Quality Evaluation Branch  
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cc w/enclosures:  
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 Enclosures:

1. Meeting Agenda                      DISTRIBUTION:  
 2. NEI presentation material                      See next page  
 3. NRC presentation material  
 4. List of Attendees

\*See previous concurrence

OFC	SEND	RPEB:DRIL:NRR	RPEB:DRIL:NRR	SC:RPEB:DRIL:NRR	SG:RPEB:DRIL:NRR	
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Agenda for NEI/NRC Steering Group  
Meeting on Graded QA  
March 23, 1994

- Introductions - NEI/NRC
- Background - A. Thadani
- Open Issues - G. Zech
- NEI Comments - B. Rasin
- Future Schedules - NEI/NRC
- Closing Remarks - NEI/NRC

NRC STEERING GROUP

J. L. Milhoan	Deputy Executive Director for Nuclear Reactor Regulation Regional Operations and Research
C. J. Heltemes	Deputy Director for Generic Issues and Rulemaking Office of Nuclear Regulatory Research
A. C. Thadani	Associate Director for Inspection and Technical Assessment Office of Nuclear Reactor Regulation

NEI STEERING GROUP

W. H. Rasin	Vice President Nuclear Energy Institute
W. H. Bohlke	Vice President Nuclear Engineering and Licensing Florida Power and Light
J. L. Skolds	Vice President Nuclear Operations South Carolina Electric and Gas

**NRC - INDUSTRY SENIOR MANAGEMENT  
STEERING COMMITTEE  
FOR  
GRADED, PERFORMANCE-BASED APPROACH  
TO IMPLEMENTING QUALITY**

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## KEY CONCEPTS

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- Pilot projects to be done on-line under 10 CFR 50.54(a) framework
  - Pilots may need to adjust their approach after guidance is finalized
  - Grading entails use of PSA insights, operating experience and engineering judgment to establish safety significance of SSCs
  - Current QA practices will continue to apply to safety significant SSCs
  - A performance-based approach (i.e., not prescriptive/programmatic) will be used to demonstrate compliance for nonsafety significant SSCs
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## PILOT IMPLEMENTATION UNDER 10 CFR 50.54(a)

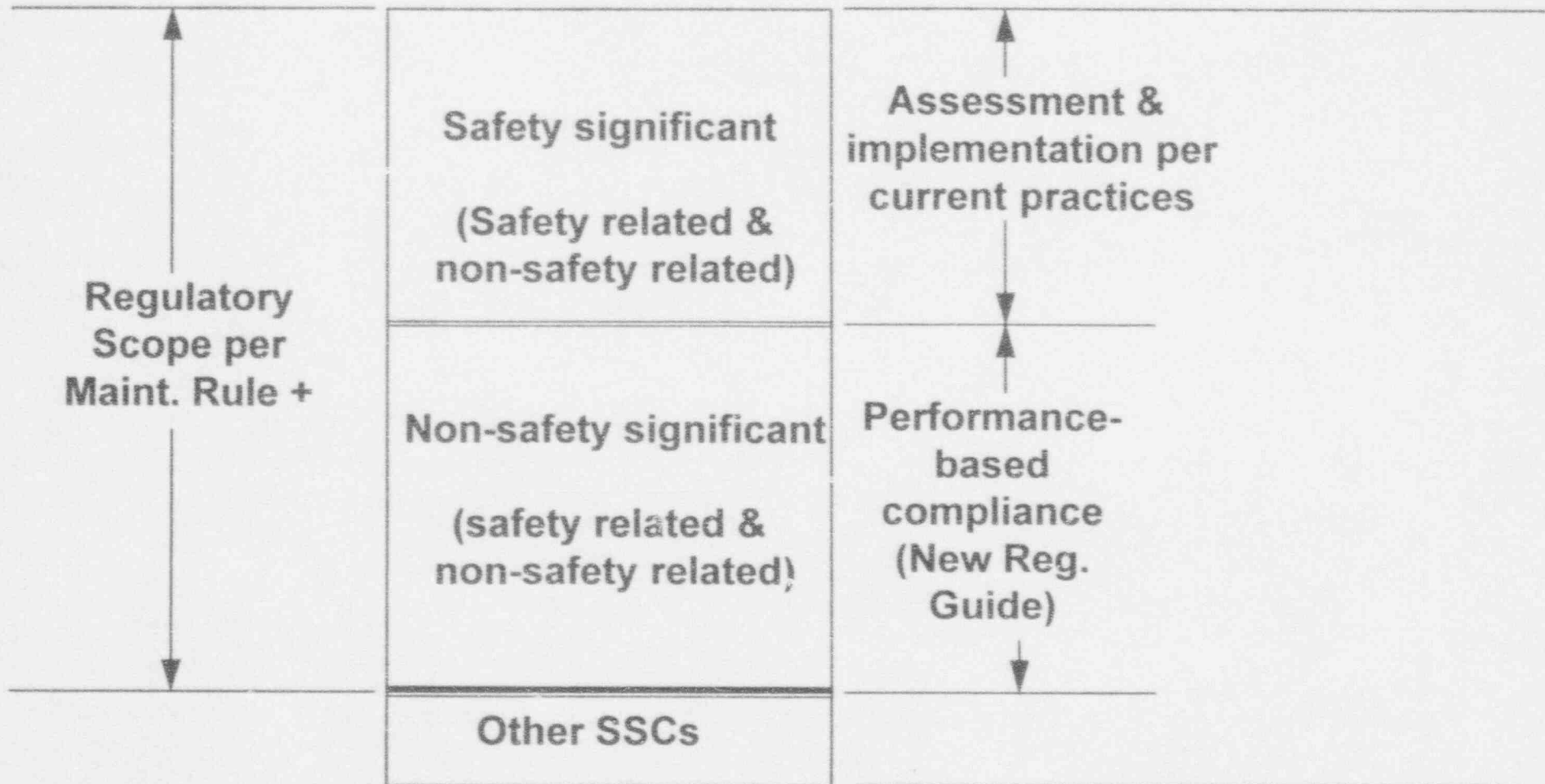
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- Key Points
    - little or no change to UFSAR or QA Topical Report
    - change is to the applicability of prior commitments to certain SSCs
    - reduction in commitments is for nonsafety significant SSCs
  
  - Proposed Process per 50.54(a)
    - letter to NRC stating which systems or portions of systems will be subject to reduced commitments
    - stated reason is that SSCs are nonsafety significant as identified by using methods of NEI 94-XX
    - SSCs will continue to meet Appendix B through a performance-based approach as described in NEI 94-XX
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# GRADED APPROACH TO IMPLEMENTING QUALITY

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+Reg. Scope = Maint. Rule Scope + Other SSCs from Other Regs.

March 23, 1994

OPEN GRADED QA ISSUES

1. Agreement on the contents and details of guidance before commencing the pilot program. Draft NEI document not yet received. Staff is working on draft guidance separately.
2. The treatment of safety-related SSCs determined to be of low risk significance through the application of NUMARC 93-01 guidance. NEI has proposed the use of a "Company Quality Program" for these SSCs with NRC relief from commitments to reg guides, ANSI standards, etc. The staff envisions a process that would consider other factors, in addition to risk, to define and establish appropriate QA measures that would be applied.
3. Definition of what an on-line implementation of the graded quality assurance methodology during the pilot program will entail, eg, NRC pre-approval of licensee relief from current QA plan provisions for low-risk significant, safety-related SSCs. Also, NEI has proposed that decisions made during the pilot effort would be permanent. NRC has questioned how decisions made during the pilots would be reviewed to identify potential safety impacts.
4. The treatment of non-safety-related SSCs that are determined to be of high risk significance. Will the guidance include an approach to identify the QA provisions that should be applied to these SSCs?

Meeting Attendance List  
March 23, 1994

<u>NAME</u>	<u>ORGANIZATION</u>	<u>TELEPHONE</u>
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