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**

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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	**Industry Actions**
A. Develop a plan for implementing proactive CFSI strategies	▪ Initiated – ongoing
B. Develop a method for sharing CFSI Information, including issues identified during receipt inspection and commercial grade dedication	▪ Clarify and enhance existing guidance
C. Develop an industry accepted practice for using the corrective action program and nonconformance programs for entering CFSI related to safety related components	▪ Clarify and enhance existing guidance
D. Develop an industry accepted practice for using the corrective action program to enter non-safety related CFSI into the corrective action program	▪ Clarify and enhance existing guidance
E. Establish an industry CFSI database	▪ Expand access to existing industry databases

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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

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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)**

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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**

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