Task Group on Non-conforming, Counterfeit, Fraudulent, and Suspect Items (TGNCFSI)

Report Overview

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Outline

- Background on Task Group Formation
- Objectives of the Task Group
- Overview of Task Group Report Content
- Concluding Remarks

Current Factors

Threat: Past and Present Threat

vs.

Background on TG Formation

- Historical incidents of NCFSI being introduced into the supply chain
- There is a continued challenge with preventing the introduction of NCFSI into the supply chain considering the increased demand that exists today globally
- Given these considerations CNRA authorised the formation of a task group in June 2011 to:
  - Identify ways to enhance the integrity of the supply chain
  - Build upon relevant learning from international experience
    - WGOE) activities (Operating Experience Report: Counterfeit, Suspect and Fraudulent Items (NEA/CNRA/R/(2011)9)
    - June 2011 joint WGOE and WGIP Proceedings from the International Operating Experience Feedback Workshop

Objectives of the TG

The general objectives of the task group were to:

- Identify issues and challenges associated with NCFSI
- Acknowledge and build upon relevant learning from international experience on addressing NCFSI
- Identify commendable practices for the identification and disposition of NCFSI to prevent its introduction into the global nuclear supply chain. Such practices address:
  - Fostering informed and engaged supply chains with
  - Implementing effective licensee processes and controls
  - Ensuring regulatory oversight of licensees' approaches
  - Identifying mechanisms or approaches for collecting and sharing experience
- Document the results of its activities as a source of expert knowledge on the subject.

Task Group Report Overview

- **Background of the issue**
  - What does NCFSI mean
  - What are the concerns
  - Responsibilities of the regulator, the operator, and the suppliers
- **Causal factors and challenges faced**
  - Root causes that may contribute to NCFSI
  - Latent causal factors
  - Evidence of increased incidence in the supply chain
  - Ageing and obsolescence
  - Adequacy of laws and the regulatory framework
  - The lack of awareness of the issue and impact on safety
  - Difficulties in detecting CFSI
  - Safety culture in the supply chain

Task Group Report Overview

- **An Informed and Engaged Supply Chain**
  - **Education and Training**
    - Acknowledge NCFSI as an issue
    - Communicating the importance of understanding and complying with nuclear related technical and quality requirements to suppliers and sub tier suppliers
    - Being an intelligent customer
    - Being an intelligent supplier
    - Training to identify and prevent the use of NCFSI
    - Translate education and training into practices and procedures
  - **Knowledge Management**
    - Understanding why things are used and how they are done
    - Partner with other industries on NCFSI
    - Capturing and sharing knowledge and experiences

Task Group Report Overview

- Licensee Processes and Controls 1/2
  - **Quality Assurance Program or Management System provides several barriers, but additional measures are needed for CFSI that should:**
- Prevent CFSI from entering the qualified supply chain of the nuclear installations
- Detect CFSI inside of the qualified supply chain
- Prevent installation of CFSI in safety related applications
- Detect CFSI installed in safety related applications
- Detect incidents in safety systems caused by CFSI
- Provide feedback into the licensee systems and broader operating experience to industry
- Eliminate identified CFSI from the supply chain
- Support the investigation of CFSI incidents
- Respond effectively as a community to CFSI threats and incidents

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- Licensee Processes and Controls 2/2
  - **Procurement and Supply Chain Management – Detection of CFSI, placed within context of NCFSI**
    - Procedures
    - Procurement Controls
    - Selection and Qualification of Suppliers
    - Evaluation of Suppliers Tenders
    - In-Process and Receipt Inspections and Tests, Including Services
    - Control of Identified NCFSI
  - **Post procurement identification, assessment, and disposition (receipt inspection completed)**
    - Control and Supervision of Maintenance Work
    - Reliability and Testing (Surveillance) Programmes

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- **The Regulators' Role**

"The licensee shall retain primary responsibility for the safety of its licensed facility, including responsibility for those activities of contractors and subcontractors which might affect safety. The regulatory body should, through its regulatory activities, provide assurance that the licensee meets its responsibilities for the safety of its facility. This includes assuring that the licensee provides the appropriate level of oversight of all contractors and sub-contractors, commensurate with the safety significance of the activity." NEA/CNRA/R(2011)4 - The Nuclear Regulator's Role in Assessing Licensee Oversight of Vendor and Other Contracted Services

–Enhancing Regulations and Guidance to Explicitly Address CSFI

–Information gathering, storing and sharing

–Approaches to Managing CFSI

–International Cooperation

–Established Response Protocols

Concluding Remarks 1/2

- NCFSI is a serious threat to nuclear safety
- We all need to be informed of the nature of CFSI
- Existing controls for procurement and nonconforming material control may need to be enhanced to address the deliberate deception involved in CFSI and the advances in counterfeiting technology
- Regulators need to be aware of the risk of NCSFI to nuclear safety and review and update their regulatory requirements accordingly
- Exchange of NCFSI information between regulators and operators should include information exchange with organisations outside of the nuclear industry

Concluding Remarks 2/2

Recommendations:

- Regulators should consider the impact of NCFSI on current regulatory requirements, and revise them if necessary
- The regulator's inspection programs should consider methods for inspecting for NCFSI controls
- The MDEP VICWG should consider how to address the issue of CFSI within the context of its activities
- WGIP and WGOE should consider including periodic reviews on how the international nuclear safety community is addressing CFSI in the nuclear industry's supply chain

Thank you for your attention

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