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Rules and Directives  
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March 16, 2002  
NRC 02-001

Mr. W. E. Norris  
USNRC  
Washington, D.C.

Re: Draft Regulatory Guide DG-1112

Dear Mr. Norris,

I have reviewed the Draft Regulatory Guide DG-1112 and have the following comments:

1) Case N-284-1 should no longer be unacceptable. The errors mentioned in the Draft Guide have been corrected as ERRATA in Supplements 6, 11, and 12 of the 1995 Code Case Book. The Draft Guide should be changed to allow the use of the Case as published in the 1998 Code Case Book and later. The ASME Section III Subcommittee has carefully reviewed the Case and assured us that all corrections have been made.

2) Case N-483-3 should be permitted because it does not violate Appendix B to 10 CFR Part 50.

a) The ASME Certificate Holder must have an ASME approved QA Program (meets Appendix B) or the Owner must have an Appendix B QA Program. Therefore whoever uses the Case meets the provisions of Appendix B.

b) The ASME Section III Code currently allows a Certificate Holder to purchase material from a material supplier who does not have a QA Program. Currently, NCA-3855.5(a) permits Certificate Holders to purchase and use "unqualified source material" provided the material is tested to verify material properties. This provision has been in the Code for more than 30 years. That is before the NRC fully accepted the ASME Code on a generic basis. That rule in the Code has never been objected to by the NRC.

c) Criterion VII of Appendix B allows for the use of "objective evidence of quality." One means of doing this is to test each piece of material. This is exactly what NCA-3855.5(a) provides and it is exactly what the Code Case provides. However, the Code Case is more restrictive than NCA-3855.5(a). The Case requires each piece of material to be tested, the test results must directly correlate with the documented CMTR furnished with the material, and the correlation tolerances are more restrictive than now in the Code. The use of the Case is a superior means of product verification.

d) Another very important point is that the NRC has already approved the test methodology in the Case. If the Case is unacceptable, then 100,000 pieces of material that was justified by Nuclear Power Plant Owners 20 years ago, and accepted by Mr. Victor Stello of the NRC would be in question. The questionable material I am referring to is the 100,000 pieces of material furnished by a material supplier located in New Jersey. Most of the material had been installed in the power plants. Mr. Stello wanted every piece of installed material tested. I participated with the Owner to make an acceptable verification program. The program was

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accepted by the NRC, and then the 100,000 pieces were tested. That test program was then further refined by EPRI and was then written as ASME Case N-483.

e) The Nuclear industry has been hampered by high costs. One single cause of the high costs is the HUGE material markups on material. Suppliers use the QA program costs as the "crutch" for charging such high prices. In one case identified to the NRC, the NYPA showed that they paid about \$450 for a screw that was identical to one bought at a hardware store for \$0.25. The use of the Case will cut out these outrageous markups and allow ASME Certificate Holders and Owners take full responsibility for the material quality, and not depend on documentation only. The methodology of the Case has already been proven and accepted by the NRC over 20 years ago. The Case is fully in compliance with Criterion VII of Appendix B, so it cannot be in violation of Appendix B.

One other point is that the NRC should allow Owners to continue to use Code Cases after they have been annulled and placed in the ASME Code. ASME annuls the Cases to reduce the size of the Code books. If the Cases must remain in the Code Book, it only increases paperwork unnecessarily. All the NRC rule has to state is, "Annulled Cases may be used, subject to the limitations imposed, provided the provisions of the Case have been incorporated into either Section III or Section XI of the ASME Code." This statement would help reduce costs a great amount.

Should you have any questions regarding these comments, please call me at 408-558-0330. I will be glad to share any other information I have.

Sincerely,

Roger F. Reedy  
President  
Reedy Engineering Inc.  
3425 S. Bascom Ave.  
Campbell, CA 95008