



**Public Meeting on ASME
Code Case N-883:
“Construction of Items
Prior to the Establishment
of a Section III,
Division 1, Owner”**

May 8, 2024 - Meeting Will Begin Shortly

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Agenda

- Public Meeting Logistics & Introductions
- Purpose
- Problem Statement
- Inclusion of the ASME Code in the Code of Federal Regulations
- NRC Approval of Code Case (CC) N-883
- 4 Potential Ideas Under Consideration
- Industry Needs & Stakeholder Feedback
- Closing Remarks & Adjourn

Public Meeting Logistics & Introductions

This is a Comment-Gathering meeting for the NRC to obtain feedback on regulatory issues and potential NRC actions associated with Code Case N-883.

Focus is on allowing participants the opportunity to provide opinions, perspectives, and feedback.

The meeting is being recorded for note taking purposes to inform decision-making and the NRC staff will issue a summary of this meeting.

All meeting participants should identify themselves and their affiliation before asking a question or making a comment.

Time for Introductions - Please state your name and affiliation.

Purpose

- Provide an opportunity for external stakeholders to share their views on the nuclear industry's needs related to the use of CC N-883.
- Discuss 4 potential ideas being considered by the NRC for inclusion of CC N-883 into Regulatory Guide (RG) 1.84, “Design, Fabrication, and Materials Code Case Availability, ASME Section III.”

Disclaimer

These slides have been prepared and are being released to support ongoing public discussions. The potential ideas in the slides have not been subject to NRC management and legal reviews and approvals, are subject to change, and should not be interpreted as final official agency positions and decisions.

Problem Statement

- A business that does not hold an NRC license wants to build parts that later could be purchased by a potential NRC licensee (i.e. a “future Owner”). The business is concerned that a future Owner would be unable to purchase and deploy such parts because those parts might not meet existing NRC requirements. The NRC does not have regulatory jurisdiction over these businesses, as such, the NRC cannot authorize these businesses to construct items using CC N-883. Past efforts to address this concern via approval of CC N-883 have not alleviated those concerns.
- Under the NRC’s current regulatory framework, the NRC must condition the use of the CC for entities that fall under its regulatory jurisdiction (e.g., holder of a construction permit, operating license, or combined license).

Inclusion of the ASME Code in the Code of Federal Regulations

- 10 CFR 50.54, “Conditions of licenses,” :
 - “The following paragraphs of this section [...] and the applicable requirements of 10 CFR 50.55a, are conditions in every nuclear power reactor operating license issued under this part.”
- 10 CFR 50.55a, “Codes and standards,” :
 - Incorporates by reference Section III of the ASME Code.

NRC Approval of Code Case N-883

- NCA-3211.19(e) limits the construction of items without an Owner to pumps, valves, and some supports to 4 inches nominal pipe size (NPS) or less.
- Safety case for using 4 inches NPS or less was based on the make-up capabilities of reactor designs.
- Safety case continues to be applicable for advanced and small modular reactors.
- NCA-3211.19(e) is the reason CC-N-883 was created.

NRC Approval of Code Case N-883

- CC N-833 first approved by ASME Section III in January 2018.
- CC N-833 provides requirements where an ASME Certificate Holder may construct items prior to the establishment of an Owner.
- NRC first conditioned the use of CC N-883 in Revision 39 of RG 1.84.

NRC Approval of Code Case N-883

- NRC provided the following condition for the use of CCN-883 in Revision 39 of RG 1.84:
 - “This Code Case may only be used for the construction of items by a holder of a construction permit, operating license, or combined license under 10 CFR part 50 or 10 CFR part 52. This Code Case may not be used by a holder of a manufacturing license or standard design approval or by a design certification applicant.”

NRC Approval of Code Case N-883

- Condition needed as the NRC does not have regulatory jurisdiction over ASME Certificate Holders as the Quality Assurance (QA) requirements of Appendix B to 10 CFR Part 50 are not directly applicable (e.g., passed down by licensees & applicants procurement documents).
- Condition ensures NRC's regulatory oversight consistent with Appendix B to 10 CFR Part 50 and 10 CFR 50.55a.

NRC Approval of Code Case N-883

- ASME formed a Task Group in mid-2023 to make changes to CC N-883 to address NRC's comments to enhance the CC in preparation for a future request for its use.
- NRC's comments focused on the following areas: scope, 3rd party oversight, responsibility and control, and QA program requirements.

NRC Approval of Code Case N-883

- ASME's Task Group addressed all of NRC's comments except for 3rd party-oversight.
- 3rd party-oversight is a regulatory issue that the NRC may condition.
- The latest revision of the CC is working its way through the applicable ASME Code committees for approval.
- Once approved by ASME, the NRC could expand the applicability of the CC in RG 1.84 to include manufacturing licenses.

4 Potential Ideas Under Consideration

- **Idea A - Perform inspections under the existing NRC's Vendor Inspection Program (VIP).**
 - ASME's Certificate Holders would submit a QA program for NRC's review and approval.
 - Future Owner would apply the CC specifying the construction supplier had an NRC-approved Appendix B to 10 CFR Part 50 QA program, was subject to NRC and 3rd party oversight, and corrected any identified findings from this oversight.
 - Provides NRC and 3rd party oversight with access to observe construction of the items.
 - No future Owner identified for the items while under construction.

4 Potential Ideas for Under Consideration

- **Idea B - Voluntary Code Item Inspection Program**
 - Same implementation as Idea A, except performed under a voluntary inspection program vs. the NRC's existing VIP.
 - Provides 3rd party oversight and NRC access to observe construction of the items.

4 Potential Ideas for Under Consideration

- **Idea C - Take no further action**
 - Use of items constructed prior to the establishment of an Owner under the requirements of the ASME Code would only be available for use by licensees and/or permit holders (NRC would expand the applicability of the CC in RG 1.84 to include manufacturing licenses).

4 Potential Ideas for Under Consideration

- **Idea D* - Develop a Regulatory Framework to Issue Specific Licenses for Construction of Items**

- Similar to the 10 CFR Part 72 process for issuing import/export licenses to cask manufacturers (ASME Certificate Holders).
- No Owner is identified; NRC approves the Certificate Holder's QA program; future licensee commits to implementing CC N-883 and is responsible for the reconciliation process.
- Issuing specific licenses for the construction of items would allow for regulatory oversight and inspections prior to the establishment of an Owner.

***Rulemaking required.**

Industry Needs & Stakeholder Feedback



We encourage questions and feedback from all stakeholders during this meeting on the four potential ideas and the industry's needs related to the use of CC N-883. The NRC would like to hear about any other potential ideas. No regulatory decisions will be made at today's meeting and no formal responses will be provided to any feedback received during this meeting.

Closing Remarks & Adjourn

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