



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
WASHINGTON, D.C. 20555-0001

**OFFICE OF THE
INSPECTOR GENERAL**

February 3, 2016

MEMORANDUM TO: Victor M. McCree
Executive Director for Operations

FROM: Stephen D. Dingbaum */RA/*
Assistant Inspector General for Audits

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S
10 CFR PART 31 GENERAL LICENSING PROGRAM
(OIG-12-A-21)

REFERENCE: ACTING DIRECTOR, OFFICE OF NUCLEAR MATERIAL
SAFETY AND SAFEGUARDS, MEMORANDUM DATED
JANUARY 19, 2016

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendation 2 as discussed in the agency's response dated January 19, 2016. Based on this response, recommendation 2 is closed. Recommendation 1 was previously closed. All recommendations associated with this report are now closed.

If you have any questions or concerns, please call me at 415-5915 or Sherri Miotla, Team Leader, at 415-5914.

Attachment: As stated

cc: J. Jolicouer, OEDO
F. Brown, OEDO
B. Pham, OEDO
S. Moore, NMSS
EDO_ACS Distribution Resource

Audit Report

AUDIT OF NRC'S 10 CFR PART 31 GENERAL LICENSING PROGRAM

OIG-12-A-21

Status of Recommendations

Recommendation 2: Develop and implement procedures for NRC to periodically re-inform existing general licensees of applicable regulatory requirements.

Agency Response Dated
January 19, 2016:

The staff considered its approach to implementation of Recommendation 1 (Agencywide Documents and Management System [ADAMS] Accession No. ML13310A525) in developing a cost effective and efficient procedure to periodically re-inform existing general licensees of applicable regulatory requirements. At the present time, there are approximately 17,500 general licensees under NRC jurisdiction. The staff determined that it is not cost effective to issue 17,500 letters (at an approximate cost of \$1.05 million) to periodically re-inform all existing general licensees of applicable regulatory requirements when the number of events related to general licensees is low and relatively constant.

The staff met with the OIG on October 24, 2014, to discuss how best to meet the intent of this recommendation. As discussed with OIG, the staff decided to decrease the number of correspondences by not including the following:

- General licensees with very low safety significant devices, such as self-luminous exit signs that contain Tritium (H-3). There are approximately 10,000 general licensees with Tritium exit signs.
- General licensees that are required by regulation to annually register their generally licensed devices. The staff communicates with these licensees on an annual basis, so these licensees are very aware of the applicable regulatory requirements. There are approximately 750 general licensees that possess registrable devices.
- General licensees that the staff contacted over the past year, from July 2013 to October 2014, to address Recommendation 1. Approximately 390 general licensees (not including general licensees with exit signs) were re-informed of applicable regulatory requirements

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Status of Recommendations

Recommendation 2 (cont.):

In the memorandum dated December 3, 2014, the staff stated that approximately 6,360 letters would be sent to general licensees. The staff decided to inform the U.S. Navy of all their general licenses in one letter. The same was done for the U.S. Marines. Thus, the NRC sent a total of 5,978 correspondences between January 2015 and December 2015 to general licensees that do not fall under any of the categories described above. The General Licensing Tracking System (GLTS) contractor processed and issued form letters to re-inform 5,978 general licensees of applicable regulatory requirements.

Multiple general licensees, after receiving the NRC correspondence, contacted the General License Project Manager to provide information about the generally licensed devices they possess or possessed. GLTS was updated with the information provided by general licensees.

As a result of Recommendation 1, the staff reviewed and updated the GLTS manual to reflect appropriate guidance (ADAMS Accession No. ML13261A199) to inform new general licensees of applicable regulatory requirements. The staff will follow this guidance to send form letters at the end of every calendar year to new general licensees to inform them of applicable regulatory requirements. The staff will continue to monitor materials events for any adverse trends. If a noteworthy increase in events is observed, the staff will review the need for additional communication with NRC general licensees. The staff considers this action to be completed.

Point of Contact: Hector Rodriguez, NMSS/MSTR
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OIG Analysis:

OIG reviewed the updated GLTS manual and verified that it contains the appropriate guidance necessary to ensure that general licensees are periodically re-informed of the applicable regulatory requirements. Thus, this recommendation is closed.

Status:

Closed.