

January 11, 2006

MEMORANDUM TO: Luis A. Reyes
Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF
THE NUCLEAR REGULATORY COMMISSION'S
GENERIC COMMUNICATION PROGRAM
(OIG-05-A-19)

REFERENCE: DEPUTY EXECUTIVE DIRECTOR FOR REACTOR
AND PREPAREDNESS PROGRAMS,
MEMORANDUM DATED NOVEMBER 22, 2005

Attached is the Office of the Inspector General's (OIG) analysis and status of report recommendations as discussed in the agency's memorandum dated November 22, 2005. Based on the agency's response, all recommendations are in a resolved status. OIG will close each recommendation as the agency provides information confirming that corrective actions have been completed. Please provide an updated status of all recommendations by June 30, 2006.

If you have questions or concerns, please call me at 415-5915.

Attachment: As stated

cc: W. Dean, OEDO
M. Malloy, OEDO
P. Tressler, OEDO

**Audit of NRC's Generic Communications Program
OIG-05-A-19**

Status of Recommendations

Recommendation 1: Include safeguards advisories, as well as any other agency communication tool that meets the definition of a generic communication, in the formal Generic Communications Program to ensure compliance with regulatory requirements.

Agency Response dated November 22, 2005: Agree. Over the last year, the staff has moved to stabilize the process and has begun efforts to formalize Safeguards Advisories. The staff plans to address this topic in its response to a Staff Requirements Memorandum (SRM) dated April 27, 2005 (see ML051170459). Subject to Commission approval, the staff will include safeguards information and information requests in the Generic Communication Program and identify if and when it would be appropriate to use Safeguards Advisories, in lieu of other generic communications methods, to transmit security-related information to licensees. The staff's response to the SRM is expected to be provided to the Commission by the end of November or early December 2005.

Upon approval by the Commission, an interoffice working group will be assigned to revise the existing draft Management Directive (MD) 8.18, "Nuclear Regulatory Commission Generic Communications Program," and to define the scope, appropriate use, and requisite management controls for Safeguards Advisories. The staff expects to constitute this interoffice working group within a month of Commission approval and to have a draft revision of MD 8.18 produced within six months of Commission approval.

Additional Information January 6, 2006: With regard to the staff commitment to Recommendation 1, the staff plans to look beyond just safeguards advisories and look at all "safeguards information and information requests." With regard to other types of communications (reactor safety/licensing type communications), I am confident that there are no reactor safety/licensing-type communications that should be going through the Generic Communications Program and for some

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reason are not going through the Generic Communication Program. I reread the IG audit report and no reactor safety/licensing type communications outside the Generic Communication Program were identified that should have been in the Generic Communication Program. Additionally, the regulated community is well aware of our Generic Communications Program and keeps a pretty close eye on our generic activities dealing with reactor safety and licensing.

Once again, the staff agrees with IG Recommendation 1 and I believe that our plans to finalize Management Directive 8.18 will fully address Recommendation 1.

OIG Analysis:

Staff's plan to include safeguards advisories within the formal Generic Communications Program meets the intent of one aspect of the recommendation. However, OIG encourages NRR staff to coordinate with other agency offices in an effort to identify *all* communications that meet the definition of a generic communication--a transmittal to one or more classes of licensees—to ensure proper processing in accordance with OMB requirements. OIG will close this recommendation when revisions are finalized in Management Directive 8.18.

Status:

Resolved.

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Status of Recommendations

<u>Recommendation 2:</u>	Pursue immediately the applicability of including appropriate Office of Management and Budget control numbers in safeguards advisories.
Agency Response dated November 22, 2005:	Agree. The staff has implemented this recommendation, and is presently revising the procedure dealing with Safeguards Advisories.
OIG Analysis:	The staff's described actions meet the intent of the recommendation. OIG will close this recommendation when it receives for review: (1) safeguards advisories which reflect the implementation of OMB control numbers, and (2) the final revised procedure.
Status:	Resolved.

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Status of Recommendations

Recommendation 3: Implement controls to ensure a systematic, consistent tracking methodology from initiation to closure for each agency-issued generic communication.

Agency Response dated November 22, 2005: Agree. The staff intends to address this recommendation in the context of the overall revision of the draft MD 8.18. An interoffice working group will be assigned to redraft MD 8.18, as discussed in the response to Recommendation 1. The redraft will address the roles and responsibilities of the Office of Executive Director for Operations and program offices. This working group will also define methodologies to determine the nature of an agency-wide tracking system for GCs from issuance through closure.

The staff expects to constitute this interoffice working group within a month of Commission approval of staff recommendations in response to an SRM dated April 27, 2005, which is expected to be provided to the Commission by the end of November or early December 2005. The staff expects to have a draft revision of MD 8.18 produced within six months of Commission approval. The staff will also select an effective approach to agency-wide tracking of GCs from issuance to closure within this six-month period.

OIG Analysis: The agency's planned actions, which include defined methodologies to determine the nature of an agency-wide tracking system, meet the intent of the recommendation. This recommendation will be closed when OIG receives documentation that these actions are complete.

Status: Resolved.

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<u>Recommendation 4:</u>	Direct the development of a methodology that will allow the staff to gauge the effectiveness of agency-issued generic communications.
Agency Response dated November 22, 2005:	<p>Agree. The staff intends to address this recommendation in the context of the overall revision of the draft MD 8.18. An interoffice working group will be assigned to redraft MD 8.18, as discussed in the response to Recommendation 1. This working group will also define methodologies to determine the effectiveness of agency-issued GCs.</p> <p>The staff expects to constitute this interoffice working group within a month of Commission approval of staff recommendations in response to an SRM dated April 27, 2005, which is expected to be provided to the Commission by the end of November or early December 2005. The staff expects to have a draft revision of MD 8.18 produced within six months of Commission approval. The staff will also select an approach to determining the effectiveness of agency-issued GCs within this six-month period.</p> <p>Additionally, the Office of Nuclear Reactor Regulation will conduct a broad-based self-assessment of the generic communications program to improve the overall effectiveness of the program.</p>
OIG Analysis:	These actions meet the intent of the recommendation. OIG will close this recommendation when the revised procedure and defined methodology to determine the effectiveness of agency-issued generic communications are received and reviewed.
Status:	Resolved.