

March 23, 2005

MEMORANDUM TO: Luis A. Reyes
Executive Director for Operations

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

SUBJECT: OIG STATUS AND ANALYSIS OF RECOMMENDATIONS
FOR AUDIT REPORT: REVIEW OF THE NUCLEAR
REGULATORY COMMISSION'S REACTOR OPERATING
EXPERIENCE TASK FORCE REPORT (OIG-04-A-13)

REFERENCE: DIRECTOR, OFFICE OF NUCLEAR REACTOR
REGULATION, MEMORANDUM DATED
FEBRUARY 22, 2006

Attached is the Office of the Inspector General's analysis and status of recommendations, as discussed in the agency's response dated February 22, 2006. The response from the Director, Office of Nuclear Reactor Regulation (NRR), identifies future actions to close recommendations 1 and 3. Once NRR provides support for these proposed actions, we will analyze the actions taken and determine if the recommendations can be closed.

Please provide an update on the status of recommendations 1 and 3 by December 31, 2006.

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

Attachment: As stated

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

Audit Report
Review of NRC's Reactor Operating Experience Task Force Report
OIG-04-A-13

Status of Recommendations

Recommendation 1: Revise the program objectives to include measurable performance aspects.

Updated Agency
Response Dated
February 22, 2006:

The current version of the Operating Experience (OpE) Program Management Directive is in "draft" form and will not be sufficient for OIG closure of this recommendation. NRR staff is currently performing a program effectiveness review as directed by the OpE Program Implementation Plan (Agency Document Access Management System (ADAMS) Accession No. ML041180024). We expect to complete this program effectiveness review by March 31, 2006. We will use the information and feedback for this review to update the OpE program as well as the supporting program documents. We had finalized Office Instruction LIC-401 but we will update it to correspond with the program update. By March 31, 2006, we will have the updated draft version of the Management Directive (MD) ready for the Rules and Directives Branch (RDB) within the Office of Administration for agency processing. This process takes between 17 – 34 weeks. We expect the final version of the Management Directive to be issued by December 31, 2006. NRR staff recently met with OIG to discuss the upcoming MD schedule and agreed that the extra time included in the schedule is mutually beneficial.

Draft MD and Handbook 8.7, "Reactor Operating Experience Program," and NRR Office Instruction LIC-401, "NRR Reactor Operating Experience Program," may be found at ADAMS Accession Nos. ML043570013, ML043570032, and ML050130014.

OIG Analysis: In a recent meeting with NRR staff, revisions to the subject agency guidance were discussed and the language proposed meets the recommendation's intent. As indicated above, NRR understands that OIG cannot close this recommendation until the proposed corrective actions are completed.

Status: Resolved.

Audit Report
Review of NRC's Reactor Operating Experience Task Force Report
OIG-04-A-13

Status of Recommendations

Recommendation 3: Establish an independent operating experience function and locate that function at the appropriate organizational level.

Updated Agency
Response Dated
February 22, 2006:

The current version of the Operating Experience (OpE) Program Management Directive is in "draft" form and will not be sufficient for OIG closure of this recommendation. NRR staff is currently performing a program effectiveness review as directed by the OpE Program Implementation Plan (Agency Document Access Management System (ADAMS) Accession No. ML041180024). We expect to complete this program Effectiveness review by March 31, 2006. We will use the information and feedback for this review to update the OpE program as well as the supporting program documents. We had finalized Office Instruction LIC-401 but we will update it to correspond with the program update. By March 31, 2006, we will have the updated draft version of the Management Directive (MD) ready for the Rules and Directives Branch (RDB) within the Office of Administration for agency processing. This process takes between 17 – 34 weeks. We expect the final version of the Management Directive to be issued by December 31, 2006. NRR staff recently met with OIG to discuss the upcoming MD schedule and agreed that the extra time included in the schedule is mutually beneficial.

Draft MD and Handbook 8.7, "Reactor Operating Experience Program," and NRR Office Instruction LIC-401, "NRR Reactor Operating Experience Program" may be found at ADAMS Accession Nos. ML043570013, ML043570032, and ML050130014.

OIG Analysis: As discussed with NRR staff, OIG will close this recommendation when it receives and evaluates the final versions of the MD 8.7 and LIC-401 documents to ensure the recommendation has been satisfied.

Status: Resolved.