

July 26, 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)

REFERENCES: DIRECTOR, OFFICE OF NUCLEAR REACTOR
REGULATION, MEMORANDUM DATED JUNE 27,
2006

DIRECTOR, OFFICE OF NUCLEAR SECURITY AND
INCIDENT RESPONSE, MEMORANDUM DATED
JUNE 29, 2006

Attached is the Office of the Inspector General's (OIG) analysis and status of report recommendations as discussed in the agency's memoranda dated June 27, 2006 and June 29, 2006. Based on the agency's responses, recommendations 1, 3, and 4 remain in a resolved status. Recommendation 2 is closed. OIG will close the remaining recommendations once the agency provides information confirming that corrective actions have been completed. Please provide an updated status of recommendations 1, 3, and 4 by January 15, 2007.

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
June 29, 2006:

Safeguards advisories, currently called security advisories, will be formally incorporated as a generic communication product in draft MD 8.18, "Generic Communications," which is currently in development. In addition, the staff has completed a review of existing generic communication products and other communications tools that potentially could meet the definition of a generic communication. As a result of this review, the staff intends to clearly define generic communications as those products that are endorsed and recognized in MD 8.18. Letters written to licensees associated with the inspection, enforcement, licensing, and topical report programs or result from any other established agency process are not generic communications. Communications to broad classes of licensees, independent of the aforementioned processes, are subject to the generic communication program.

In a Staff Requirements Memorandum on SECY-05-0232 dated March 1, 2006, the Commission approved the staff's recommendations and commitments to 1) incorporate security advisories into draft NRC Management Directive (MD) 8.18, 2) specify guidance on when security advisories should be used instead of other forms of generic communications, 3) identify when it is appropriate to obtain Office of Management and Budget (OMB) clearances and conduct backfit evaluations, 4) communicate to stakeholders the reasons behind use of each different form of generic communication, and 5) continue to coordinate threat advisories and safeguards advisories with affected NRC offices before issuance.

Recommendation 1 (continued):

In response to the Commission's directions, the staff established an interoffice (NMSS, NSIR, and NRR) working group to evaluate the current process to initiate, develop, track, and distribute generic communications, and make recommendations on how this process should be amended.

On May 23, 2006, the staff issued a memorandum to the Commission that communicated the conclusion of the staff's evaluation of Information Assessment Team Advisories (TAs). The staff had concluded that TAs were a type of generic communication and would be incorporated into MD 8.18. In addition, the NSIR staff is developing office-level procedures to control the development, coordination, and dissemination of advisories. NSIR Procedure COM-215, "Generic Communications," which includes the process for security advisories, was issued in June 2006. The TA procedure is expected to be completed shortly. The redraft of MD 8.18 is expected by the end of September 2006.

OIG Analysis:

Staff's actions, including a review of existing and potential generic communications tools; plans to include security advisories (formerly called "safeguards advisories") in Management Directive 8.18, "Generic Communications," and the establishment of an interoffice working group meet the intent this recommendation. OIG will close this recommendation when revised Management Directive 8.18 is finalized.

Status:

Resolved.

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Status of Recommendations

Recommendation 2: Pursue immediately the applicability of including appropriate Office of Management and Budget control numbers in safeguards advisories.

NRR Response dated
June 27, 2006:

The staff has incorporated OMB clearance numbers and statements in security advisories issued since the OIG recommendation was made. In addition, as noted in the response to Recommendation 1 NSIR office-level procedures are in development to ensure that any reporting or record keeping requests receive the appropriate Paperwork Reduction Act reviews. OMB clearance numbers will be appropriately noted to conform to the Act and will receive Office of Information Services and Office of General Counsel reviews. The staff considers this recommendation to be closed upon the issuance of NSIR procedure COM-215, "Generic Communications."

Excerpt from NSIR
Response dated
June 29, 2006:

The Office of Nuclear Security and Incident Response (NSIR) recently issued a new office procedure, COM-215, "Generic Communications," that describes the process the office will follow in implementing the agency's generic communication program. The procedure's instructions for security advisories includes the mechanism for obtaining the appropriate Paperwork Reduction Act clearances from the Office of Management and Budget. The procedure can be found in ADAMS at ML061770082.

With the issuance of COM-215, NSIR considers this item closed.

Recommendation 2 (continued):

OIG Analysis: NSIR's office procedure COM-215, "Generic Communications," became effective on June 30, 2006. OIG's review of COM-215 determined that the established process meets the intent of this recommendation. As a result, this recommendation is closed.

Status: **Closed.**

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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
June 27, 2006:

As noted in the response to Recommendation 1, the staff established an interoffice (NMSS, NSIR, and NRR) working group to evaluate the current process to initiate, develop, track, and distribute generic communications, and make recommendations on how this process should be amended. Efforts are ongoing to evaluate existing agency tools that could be leveraged for developing an agency-wide tracking system for generic communications. The staff expects to provide management with its recommendations for the agency-wide tracking system by the end of CY 2006.

OIG Analysis:

The agency's planned actions, which include developing 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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Status of Recommendations

Recommendation 4: Direct the development of a methodology that will allow the staff to gauge the effectiveness of agency-issued generic communications.

Agency Response dated
June 27, 2006:

As noted in the response to Recommendation 1, the staff established an interoffice (NMSS, NSIR, and NRR) working group to evaluate the current process to initiate, develop, track, and distribute generic communications, and make recommendations on how this process should be amended. This working group is specifically tasked with developing recommendations to management regarding methodologies for determining the effectiveness of agency-issued generic communications. The methodology selected for determining generic communications effectiveness will be captured in MD 8.18 and office-level procedures that govern generic communication products. This effort is ongoing.

OIG Analysis:

The actions identified in the agency's response to recommendation 1 meet the intent of this recommendation. OIG will close recommendation 4 when the revised procedure and defined methodology to determine the effectiveness of agency-issued generic communications are received and reviewed.

Status: **Resolved.**