September 29, 2006

| MEMORANDUM TO: | Jack R. Strosnider, Director Office of Nuclear Material Safety and Safeguards | |
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| FROM: | Robert C. Pierson, Director Division of Fuel Cycle Safety and Safeguards Office of Nuclear Material Safety and Safeguards | /RA/ |
| SUBJECT: | EVALUATION OF THE EFFECTIV | ENESS OF THE URANIUM |

RECOVERY PROGRAM

The U.S. Nuclear Regulatory Commission (NRC) Strategic Plan for Fiscal Year (FY) 2004 -FY 2009 provided a schedule for planned, future evaluations of a number of its safety programs, including the Uranium Recovery Program within the Fuel Cycle Facilities Branch in the Division of Fuel Cycle Safety and Safeguards. The Strategic Plan indicated that the evaluation of the Uranium Recovery Program would be performed in FY 2006. Consistent with this mandate, the NRC staff recently completed its evaluation of the Uranium Recovery Program. This evaluation was performed as a self-assessment of the Uranium Recovery Program to determine the overall effectiveness of the program with respect to the NRC's strategic objective and the goals (safety, security, openness, effectiveness, and management) that support this objective, as described in the Strategic Plan. For this evaluation, the staff assessed the implementation of the Uranium Recovery Program over the past two years (FY 2005 and FY 2006) with the intent of identifying areas of the program's effectiveness that might need improvement. The staff also evaluated the capability of the Uranium Recovery Program for meeting future challenges such as the expected submittal of a significant number of license applications for new uranium recovery facilities in the next several years.

Based on the results of the staff's evaluation, the Uranium Recovery Program has generally been conducted in a very effective manner with respect to the NRC's strategic objective, the 5 goals that support this objective, and the targets and measures established in the Division Operating Plan to facilitate achievement of those goals. Notwithstanding the overall effectiveness of the program, there are several areas where the program can be improved and recommendations are provided for those areas. Specifically, a recommendation is provided for

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improvement of program performance related to the timeliness for completion of old, complex licensing actions. A recommendation is provided to improve the performance for reporting public meeting summaries in a timely manner. Lastly, a recommendation is provided to promote the acquisition and development of the program staff necessary to ensure the program capability for meeting the challenges associated with the expected future submittal of a significant number of license applications for new uranium recovery facilities.

The report of the staff's evaluation of the effectiveness of the Uranium Recovery Program is enclosed and is being made publicly available through the Agencywide Document Access and Management System (ADAMS).

Enclosure: Program Evaluation of the Effectiveness of the Uranium Recovery Program

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The report of the staff's evaluation of the effectiveness of the Uranium Recovery Program is enclosed and is being made publicly available through the Agencywide Document Access and Management System (ADAMS).

Enclosure: Program Evaluation of the Effectiveness of the Uranium Recovery Program

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| DATE | 09/27/06 | 09/27/06 | 09/28/06 | 09/28/06 | 09/29/06 |

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