April 4, 2008

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
                   NRC'S GENERIC COMMUNICATION PROGRAM
                   (OIG-05-A-19)

REFERENCE: DIRECTOR, OFFICE OF NUCLEAR REACTOR
                   REGULATION, MEMORANDUM DATED
                   FEBRUARY 1, 2008

Attached is the Office of the Inspector General's (OIG) analysis and status of
report recommendations as discussed in the agency's response dated
February 1, 2008. To date, recommendation 2 is closed and based on the
agency's update, recommendations 1, 3, and 4 remain in a resolved status. OIG
will close these 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 June 30, 2008.

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

Attachment: As stated

cc: V. Ordaz, OEDO
       J. Arildsen, OEDO
       P. Shea, OEDO

Audit Report

Audit of NRC's Generic Communications Program
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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 February 1, 2008:	The staff has completed work on draft Management Directive (MD) 8.18, "NRC Generic Communications Program" which was submitted to the Commission for formal approval on December 7, 2007. This MD establishes security advisories and Information Assessment Team Advisories as additional agency generic communications products. This MD defines the scope of U.S. Nuclear Regulatory Commission (NRC) generic communications and defines organizational roles and responsibilities for each generic communications product. MD 8.18 explicitly defines NRC's generic communications only as the generic communications products established therein. The Office of the Inspector General (OIG) received a copy of the draft as required by procedure.

The staff expects to receive feedback from the Commission during the first quarter 2008. |
| OIG Analysis: | The agency's update reflects continued progress towards completion of this recommendation. OIG will close this recommendation once Management Directive 8.18 is approved for issuance and OIG verifies that the language in the final version satisfies the intent of the recommendation. |
| **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
February 1, 2008:   As noted in our previous responses to this
                           recommendation, the staff established an interoffice
                           working group (Office of Nuclear Material Safety and
                           Safeguards, Office of Nuclear Security and Incident
                           Response, Office of Nuclear Reactor Regulation) to
                           (1) evaluate the current process for initiating,
                           developing, tracking, and distributing generic
                           communications, and (2) recommend how this
                           process should be amended.

                           The working group evaluated existing agency tools in
                           order to determine whether an agencywide tracking
                           system for generic communications could be
                           developed. The working group determined that no
                           such tool existed. Therefore, the working group
                           consulted with the Office of Information Systems
                           (OIS) to determine whether a new information
                           technology application could be developed in order to
                           track agencywide generic communications. The
                           working group staff and OIS collaborated to produce
                           the scoping documents. On October 19, 2006, the
                           working group submitted the application development
                           request to OIS.

                           OIS completed its review and recommended the
                           development of a Generic Communications
                           Database. The database will (1) track agencywide
                           generic communications and (2) track and store
                           requests for additional information (licensee
                           responses and inquiries). The prototype database will
                           enable the staff to track (1) collaborative discussion
                           threads; (2) postings of reviewers' queries to the
                           industry; and (3) the agency's responses to reviewer's
                           inquiries.

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Status of Recommendations

The initiation phase of the project began in June of 2007 and the Generic Communication Branch (PGCB) worked with the software developers to develop the database requirements and workflow process. In November of 2007, the PGCB began providing input to the software developers to support development of the prototype database.

While the developers continue to work on the prototype, the estimated completion date has been changed from the end of December 31, 2007, to March 31, 2008.

OIG Analysis: The staff continues to make progress towards developing an agency-wide database for tracking generic communications. This recommendation will be closed when OIG receives documentation that the agency's proposed 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
February 1, 2008: The staff has completed work on draft Management Directive (MD) 8.18, "NRC Generic Communications Program" which was submitted to the Commission for formal approval on December 7, 2007. This MD establishes the roles and responsibilities for the conduct of effectiveness reviews and clearly identifies those generic communications that require effectiveness reviews. The OIG received a copy of the draft as required by procedure.

The staff expects to receive feedback from the Commission during the first quarter 2008.

OIG Analysis: OIG understands that the staff has not yet received the expected feedback from the Commission. Therefore, Recommendation 4 will be closed when revised MD 8.18 has been issued and OIG has verified that the final version addresses the intent of this recommendation.

Status: Resolved.