

EDO Principal Correspondence Control

FROM: DUE: 08/18/08

EDO CONTROL: G20080322

DOC DT: 05/06/08

FINAL REPLY:

Stephen D. Dingbaum, OIG

TO:

Borchardt, EDO

FOR SIGNATURE OF :

** GRN **

CRC NO:

Zimmerman, NSIR

DESC:

ROUTING:

Status of Recommendations: Audit of RNC's
Oversight of Licensees' Nuclear Security
Officers (OIG-08-A-07) (Due to OIG: 8/18/08)
(EDATS: OEDO-2008-0365)

Borchardt
Virgilio
Mallett
Ash
Ordaz
Cyr/Burns
Arildsen, OEDO
OIG File

DATE: 05/07/08

ASSIGNED TO:

CONTACT:

NSIR

Zimmerman

SPECIAL INSTRUCTIONS OR REMARKS:

Provide a complete response to ALL recommendations
by August 18, 2008.

Template: EDO-001

E-RIDS: EDO-01

EDATS

Electronic Document and Action Tracking System

EDATS Number: OEDO-2008-0365

Source: OEDO

General Information

Assigned To: NSIR

OEDO Due Date: 8/18/2008 5:00 PM

Other Assignees:

SECY Due Date: NONE

Subject: Status of Recommendations: Audit of NRC's Oversight of Licensees' Nuclear Security Officers

Description:

CC Routing: NONE

ADAMS Accession Numbers - Incoming: NONE

Response/Package: NONE

Other Information

Cross Reference Number: G20080322, OIG-08-A-07

Staff Initiated: NO

Related Task:

Recurring Item: NO

File Routing: OIG

Agency Lesson Learned: NO

Roadmap Item: NO

Process Information

Action Type: Memo

Priority: Medium

Signature Level: NSIR

Sensitivity: None

Urgency: NO

OEDO Concurrence: NO

OCM Concurrence: NO

OCA Concurrence: NO

Special Instructions: Provide a complete response to ALL resolved recommendations by August 18, 2008.

Document Information

Originator Name: Stephen D. Dingbaum

Date of Incoming: 5/6/2008

Originating Organization: OIG

Document Received by OEDO Date: 5/6/2008

Addressee: R. William Borchardt, EDO

Date Response Requested by Originator: 8/18/2008

Incoming Task Received: Memo



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
WASHINGTON, D.C. 20555-0001

OFFICE OF THE
INSPECTOR GENERAL

May 6, 2008

MEMORANDUM TO: R. William Borchardt
Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S
OVERSIGHT OF LICENSEES' NUCLEAR SECURITY
OFFICERS (OIG-08-A-07)

REFERENCE: DEPUTY EXECUTIVE DIRECTOR, REACTOR
AND PREPAREDNESS PROGRAMS,
MEMORANDUM DATED APRIL 17, 2008

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the agency's response dated April 17, 2008. Based on this response, Recommendations 1, 2, and 3 are resolved. Please provide an update on the status of these recommendations by August 18, 2008.

If you have questions or concerns, please call me at 415-5915 or Beth Serepca at 415-5911.

Attachment: Status of Recommendations

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

Audit Report
Audit of NRC's Oversight of Licensees' Nuclear Security Officers
OIG-08-A-07

Status of Recommendations

Recommendation 1:

Revise regulations governing licensee behavioral observation programs to include specific criteria such as program staff qualifications and procedures for managing unfit personnel.

Response Dated
April 17, 2008:

Agree. Draft final Title 10 of *Code of Federal Regulations* (10 CFR) 73.56 rule at subpart (f) "Behavioral Observation," which is scheduled to be provided to the Executive Director for Operations (EDO) by June 30, 2008, prescribes specific criteria for the licensees' behavioral observation program (BOP). This includes detection, training along with a comprehensive examination, and reporting requirements for any individual requiring unescorted access.

OIG Analysis:

The proposed action addresses the intent of OIG's recommendation. Recommendation 1 will be closed upon completion of the rulemaking action discussed above.

Status:

Resolved.

Audit Report
Audit of NRC's Oversight of Licensees' Nuclear Security Officers
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Status of Recommendations

Recommendation 2: Integrate behavioral observation program regulations with access authorization regulations in ongoing 10 CFR Part 73 rulemaking.

Response Dated
April 17, 2008:

Agree. The access authorization program incorporates unescorted access under 10 CFR 73.56, and the BOP is currently referenced in subpart (b)(2)(iii) of Part 73.56. The ongoing Part 73 rulemaking will include the BOP, and the BOP is also referenced in both 10 CFR 26.22 and Access Authorization Order EA-02-261.

Licensees for nuclear power plants licensed under 10 CFR Part 50 shall be required to implement the new revisions to Part 73.56 through revisions to their NRC-approved Physical Security Plans. Implementation guidance to licensees for the BOP will also be incorporated into Revision 2 to Nuclear Energy Institute 03-01, "Nuclear Power Plant Access Authorization Program," that is scheduled to be completed in the spring or early summer 2008 time frame.

OIG Analysis:

The proposed action addresses the intent of OIG's recommendation. Recommendation 2 will be closed upon completion of the rulemaking action and issuance of implementation guidance discussed above.

Status:

Resolved.

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Audit of NRC's Oversight of Licensees' Nuclear Security Officers
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Status of Recommendations

Recommendation 3:

Incorporate short-notice limited-scope inspections to the baseline security inspection program.

Response Dated
April 17, 2008:

Agree in part. As noted in the audit report; Inspection Manual Chapter 0300, *Announced and Unannounced Inspections*, states, "...each inspection shall be announced (with the exception of those performed by the resident inspectors)." Currently, a senior level task force is reviewing a staff-level report that includes possible changes to the Resident Inspector plant status review process.

The senior level task force plans to recommend to the EDO the level of effort and resources to accomplish some more prescribed security-related inspections by the Resident Inspectors. They will likely include observation of licensee activities in the security area with little or no notice. If approved, the resources for this effort will be identified in the Planning, Budget, and Performance Management process. Meanwhile, interim guidance is expected to be issued by April 30, 2008.

We do not plan on incorporating short-notice inspections as part of the security baseline inspections conducted by region-based security inspectors. This proposal to add short notice inspections would have nominal, if any, impact how we detect licensee problems. During routine announced baseline inspections, inspectors observe security staff performance of search train activities and vehicle searches. These activities are not conducted by the inspectors in a covert manner, and the officers being observed are fully cognizant that they are being watched. Therefore, if the officers were conducting their assignments differently as a result of being observed by the inspectors, it would not make a difference if the security officers were told 1 hour, 1 day, or 1 year in advance that we were planning to conduct the inspection.

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Status of Recommendations

Recommendation 3 (continued):

The reason that inspections are announced is not just to limit the "regulatory burden" on the licensee, but it also ensures that NRC resources are used effectively. Much of baseline security inspection effort requires a historical records review due to the nature of the inspection program. If short notice inspections were conducted, the inspections would be less efficient and, therefore, less effective since unnecessary time would be expended by the inspectors and licensees during the inspection to obtain and provide copies of historical records that could be otherwise compiled prior to the inspections. Effective inspection activities also require interactions with key licensee management and supervision. Therefore, if security inspections were announced on a short notice, there is a good likelihood that key points of contact would not be available.

OIG Analysis:

The proposed actions address the intent of OIG's recommendation. OIG will close Recommendation 3 based upon review of evidence that the agency is implementing plans, as proposed in its response, to give Resident Inspectors a greater role in security oversight. This evidence may include resource plans for augmented inspection duties, relevant training plans and records for Resident Inspectors, or documentation of security-oriented work performed by Resident Inspectors.

Status:

Resolved.