



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

OFFICE OF THE
INSPECTOR GENERAL

February 19, 2010

MEMORANDUM TO: R. William Borchardt
Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATION: MEMORANDUM
REPORT: AUDIT OF NRC'S REGULATION OF NUCLEAR
FUEL CYCLE FACILITIES (OIG-07-A-06)

REFERENCE: DIRECTOR, OFFICE OF NUCLEAR MATERIAL
SAFETY AND SAFEGAURDS, MEMORANDUM DATED
JANUARY 26, 2010

Attached is the Office of the Inspector General (OIG) analysis and status of the recommendation as discussed in the agency's response dated January 26, 2010. Based on this response, recommendation 1 remains resolved. Please provide an updated status of the resolved recommendation by April 30, 2010.

If you have any questions or concerns, please call me at 415-5915 or Sherri Miotla, Team Leader, at 415-5914.

Attachment: As stated

cc: N. Mamish, OEDO
J. Andersen, OEDO
J. Arildsen, OEDO
C. Jaegers, OEDO

Audit Report

Audit of NRC's Regulation of Nuclear Fuel Cycle Facilities

OIG-07-A-06

Status of Recommendation

Recommendation 1: Fully develop and implement a framework for the Fuel Cycle Facility Oversight Program (FCFOP) that is consistent with a structured process, such as the Reactor Oversight Process (ROP).

Agency Response Dated
January 26, 2010:

Background

By memorandum (ML071490183), dated May 31, 2007, Nuclear Material Safety and Safeguards (NMSS) provided an initial response to an Office of the Inspector General request for an update on the status of Recommendation 1. The initial response discussed several initiatives related to improving fuel cycle oversight, including: (1) structured evaluation of integrated safety analysis annual updates; (2) consolidation of the fuel cycle inspection program at Region II; (3) revision of U.S. Nuclear Regulatory Commission (NRC) Enforcement Policy; (4) development of structured event-processing guidance; and (5) completion of a safety-culture pilot plan. A status update was provided by memorandum (ML083590118), dated January 27, 2009, which noted that items (1), (2), and (4) were complete.

Response

NMSS staff is continuing work on item (3). The status of this remaining item is as follows: New fuel cycle supplement examples have been included in the revised NRC Enforcement Policy, which was submitted to the Commission on December 31, 2009. Document issue is planned for early 2010.

Regarding item 5, the staff previously decided to incorporate safety culture for fuel facilities into a broader effort to revise the Fuel Cycle Oversight Process (FCOP). In response to the Staff Requirements memorandum (SRM) on COMGBJ-09-0005, dated November 20, 2009, the staff has suspended the FCOP development until it receives the Commission

Audit Report

Audit of NRC's Regulation of Nuclear Fuel Cycle Facilities

OIG-07-A-06

Status of Recommendation

Recommendation 1 (continued):

approval of the plan requested by the Commission in the SRM. The staff expects to submit the plan to the Commission in March 2010.

OIG Analysis:

The proposed corrective actions continue to address the intent of OIG's recommendation. Recommendation 1 will be closed when NRC provides evidence that it has fully developed and implemented a framework for the Fuel Cycle Facility Oversight Program.

Status:

Resolved.