

STAFF ACTIONS IN RESPONSE TO OIG AUDIT OF FUEL CYCLE  
OVERSIGHT (OIG-07-A-06)

On January 10, 2007, the Office of Inspector General (OIG), in OIG-07-A-06, "Audit of the NRC's Regulation of the Nuclear Fuel Cycle Facilities," provided Recommendation 1, "that the staff fully implement a framework for fuel cycle oversight, consistent with a structured process, such as the Reactor Oversight Process (ROP)." In a February 13, 2007, memorandum in response to the audit, the Deputy Executive Director for Materials, Research, State, and Compliance Programs stated that, as the U.S. Nuclear Regulatory Commission (NRC) staff gains more experience with the integrated safety analysis (ISA) process, it will make appropriate enhancements to the inspection and licensing procedures, to establish a more structured program, similar to the ROP. The memorandum also noted that, because various fuel cycle facilities possess different operational characteristics, the ultimate structure of the fuel cycle oversight process (FCOP) will use more qualitative, rather than quantitative, assessments of performance. Since February 2007, the staff has completed several actions outlined in the response to OIG and provided status reports to OIG every 6 months.

The initial status report to OIG regarding Recommendation 1 discussed five corrective actions related to improving fuel cycle oversight: (1) structured evaluation of ISA annual updates; (2) consolidation of the fuel cycle inspection program at Region II; (3) revision of the NRC Enforcement Policy; (4) development of structured event-processing guidance; and (5) completion of a safety culture pilot plan. In a memorandum dated June 29, 2007, OIG noted that the proposed corrective action addressed the intent of OIG's recommendation and that it will close Recommendation 1 when the NRC provides evidence that it has fully developed and implemented a framework for the Fuel Cycle Facility Oversight Program.

Regarding item (1), the Division of Fuel Cycle Safety and Safeguards (FCSS) staff developed and implemented a process and procedure for the structured evaluation of ISA summary annual updates provided to the NRC by licensees. This process benefited from a lessons-learned evaluation of the process that was used to review ISA summary updates initially resulting in improved change-screening criteria and a new internal review schedule. This item is closed.

With regard to item (2), regional responsibility for fuel cycle inspections has been consolidated in Region II for several years. This item is closed.

Regarding item (3), the proposed Enforcement Policy revision, which has completed a public comment period, includes new fuel cycle supplement examples that use ISA criteria and results. The final revised Enforcement Policy, including resolution of public comments, is currently with the Commission pending final approval.

Regarding item (4), the Office of Nuclear Material Safety and Safeguards (NMSS) developed and is implementing a structured event processing procedure. This item is closed.

Regarding item (5), NMSS has: (1) reviewed and gathered information on NMSS' inspection procedures and programs relative to the 13 components of Safety Culture identified in RIS 2006-13; (2) identified gaps; and (3) proposed actions to address these gaps. The report on this effort (internal non-public), documenting the progress to date is available in the Agencywide Document Access and Management System (ML100680249). The staff will incorporate the results of this effort into the new fuel cycle oversight process.