



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

**OFFICE OF THE
INSPECTOR GENERAL**

May 18, 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
APRIL 28, 2010

Attached is the Office of the Inspector General (OIG) analysis and status of the recommendation as discussed in the agency's response dated April 28, 2010. Based on this response, recommendation 1 remains resolved. Please provide an updated status of the resolved recommendation by November 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
April 28, 2010:

Background

On May 31, 2007 (ADAMS Accession No. ML071490183), the Office of 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 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 dated August 10, 2009 (ADAMS Accession No. ML092250229) noted that the staff had completed items (1), (2), and (4).

Response

The NMSS staff continues to work on items (3) and (5). For item (3), the staff included new fuel cycle supplement examples in the revised NRC Enforcement Policy. The staff submitted that policy update to the Commission on December 31, 2009, and is awaiting Commission action. For item (5), the staff has incorporated safety culture for fuel facilities into a broader effort to revise the FCOP. The staff submitted a plan to the Commission, SECY-10-0031, "Revising the Fuel Cycle Oversight Process," on March 19, 2010 (ADAMS Accession No. ML100570250). Following a Commission briefing on the subject, scheduled for April 29, 2010, the staff anticipates that it will receive additional guidance on how to proceed.

Audit Report

Audit of NRC's Regulation of Nuclear Fuel Cycle Facilities

OIG-07-A-06

Status of Recommendation

Recommendation 1 (continued):

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.