



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

**OFFICE OF THE  
INSPECTOR GENERAL**

June 11, 2010

**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  
LICENSE RENEWAL PROGRAM (OIG-07-A-15)

**REFERENCE:** DIRECTOR, OFFICE OF NUCLEAR REACTOR  
REGULATION, MEMORANDUM DATED APRIL 26, 2010

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendation 7 as discussed in the agency's response dated April 26, 2010. Based on the response, recommendation 7 remains resolved. Recommendations 1, 2, 3, 4, 5, 6, and 8 were previously closed. Please provide an update on the one resolved recommendation by August 31, 2010.

If you have 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 LICENSE RENEWAL PROGRAM

OIG-07-A-15

#### Status of Recommendations

Recommendation 7: Establish a review process to determine whether or not Interim Staff Guidance meets the provisions of 10 CFR 54.37(b), and document accordingly.

Agency Response Dated  
April 26, 2010:

#### Current Status

The NRR Division of License Renewal (DLR) staff revised the process for developing and issuing LR-ISG documents to appropriately address the provisions of 10 CFR 54.37(b). By memorandum dated September 24, 2009 (ML092330112), the staff informed the OIG of the issuance of LR-ISG Process, Revision 1, dated August 7, 2009. In connection with revising the LR-ISG Process, the staff also developed, and issued for public comment, draft NRC Regulatory Issue Summary (RIS) 2007-16, Revision 1, "Implementation of the Requirements of 10 CFR 54.37(b) for Holders of Renewed Licenses."

The OIG memorandum dated November 6, 2009 (ML093130072), states that, as recommended, LR-ISG Process, Revision 1, reflects enhancements to clarify the applicability of 10 CFR 54.37(b) to LR-ISGs; however, the OIG noted, the revised LR-ISG Process references the draft RIS 2007-16, Revision 1. Based on its analysis, the OIG did not close the recommendation, but stated that it could be closed based on review of the final RIS 2007-16, Revision 1.

On March 11, 2010, the DLR staff met with OIG representatives to discuss OIG comments. The DLR staff informed the OIG representatives of the staff's plans for issuing the final RIS 2007-16, Revision 1. Also, based on discussions at the meeting, the DLR staff determined that additional clarifications to the LR-ISG Process were necessary. In follow-up, on March 22, 2010, the DLR staff sent preliminary copies of the final RIS 2007-16, Revision 1,

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#### Status of Recommendations

Recommendation 7 (continued):

and LR-ISG Process, Revision 2, to the OIG for comment. The LR-ISG Process, Revision 2, directs the staff to the final RIS 2007-16, Revision 1, which provides guidance as to which systems, structures, and components may be considered "newly identified" and, therefore, subject to the requirements of 10 CFR 54.37(b).

The final RIS 2007-16, Revision 1, is currently in concurrence, and the DLR staff plans to issue the LR-ISG Process, Revision 2, shortly after the RIS is approved. These draft documents are in ADAMS under Accession Nos. ML100250279 and ML100920158, respectively. The staff plans to issue the final documents in July of 2010, and will inform the OIG when they become official agency records.

OIG Analysis:

OIG reviewed the version of RIS 2007-16 currently in NRC's concurrence process, as well as the revised LR-ISG process document referenced in the agency's response. As recommended, the agency clarified both guidance documents regarding newly identified systems, structures, and components (SSC) and the applicability of 10 CFR 54.37(b) to the SSCs. Therefore, pending no substantive changes to RIS 2007-16, Revision 1, OIG will close the recommendation once the RIS is signed and issued, in conjunction with the issuance of "The LR-ISG Process, Revision 2."

**Status:**

Resolved.