



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

**OFFICE OF THE
INSPECTOR GENERAL**

September 14, 2011

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 MASTER MATERIALS LICENSEES
(OIG-11-A-14)

REFERENCE: DEPUTY EXECUTIVE DIRECTOR FOR MATERIALS,
WASTE, RESEARCH, STATE, TRIBAL, AND COMPLIANCE
PROGRAMS MEMORANDUM DATED AUGUST 8, 2011

Attached is the Office of the Inspector General's analysis and status of recommendations 1, 2, 3, 4, and 5. Based on this response, recommendations 1, 2, 3, 4, and 5 are resolved. Please provide an updated status of the resolved recommendations by December 30, 2011.

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
K. Brock, OEDO
J. Arlidsen, OEDO
C. Jaegers, OEDO

Audit Report

AUDIT OF NRC'S OVERSIGHT OF MASTER MATERIALS LICENSEES

OIG-11-A-14

Status of Recommendations

Recommendation 1: Define regional and headquarters MML project managers' roles in responding to requests for guidance and assistance from MML licensee staff.

Agency Response

Dated August 8, 2011:

Agree. Based on OIG's findings, we recognize the need to clearly define regional and headquarters MML project managers' roles in responding to requests for guidance and assistance from MML licensee staff.

We will revise our current policy and procedures, and ensure that the regional and HQ roles/expectations are clearly defined and provide the necessary guidance and assistance to MML licensee staff.

Completion Date: August 31, 2012

OIG Analysis:

The agency's written response is unclear as to which policies and procedures would be revised. However, during a followup phone conversation on August 29, 2011, Office of Federal and State Materials and Environmental Management Programs (FSME) staff explained that a working group is being established to address these issues. The agency's proposed actions meet the intent of the recommendation. This recommendation will be closed when OIG reviews the revised policies and procedures and determines that they include clear guidance for NRC regional and headquarters MML project managers' roles in responding to requests for guidance and assistance from MML licensee staff.

Status:

Resolved.

Audit Report

AUDIT OF NRC'S OVERSIGHT OF MASTER MATERIALS LICENSEES

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Status of Recommendations

Recommendation 2: Develop and implement a consistent and timely process for notifying MML licensee staff of NRC-hosted training courses.

Agency Response

Dated August 8, 2011:

Agree. We recognize the need for notifying MML licensee staff of NRC-hosted training courses. Like all licensees, the MMLs are required to have properly trained staff, and the access to NRC technical training is a benefit that we offer to the oversight group of the MMLs on a space available basis. It is the MMLs responsibility to ensure they have properly trained staff and the NRC has a role to ensure that space is made available to the MMLs.

We plan to reassess our current process and ensure notification of MML licensee staff regarding NRC-hosted training courses is consistent and timely.

Completion Date: August 31, 2012

OIG Analysis:

The agency's written response is unclear as to how the agency will ensure that notification to MML licensee staff will be consistent and timely. However, during a followup phone conversation on August 29, 2011, FSME staff explained that the office is working to establish a service level agreement with the NRC Technical Training Center (TTC), part of the NRC Office of Human Resources (HR). The purpose of the agreement is to inform MML licensee staff of NRC-hosted training courses and provide a consistent process for registration. The agency's proposed actions meet the intent of the recommendation. This recommendation will be closed when OIG reviews the service level agreement and determines that it includes a consistent and timely process to notify MML licensee staff of NRC-hosted training courses.

Status:

Resolved.

Audit Report

AUDIT OF NRC'S OVERSIGHT OF MASTER MATERIALS LICENSEES

OIG-11-A-14

Status of Recommendations

Recommendation 3: Develop and implement a consistent process for registering MML licensee staff for NRC-hosted training courses.

Agency Response

Dated August 8, 2011:

Agree. Our response to Recommendation 2 is also applicable within the context of this recommendation.

We plan to develop a registration system that will ensure a consistent process for registering MML licensee staff.

Completion Date: August 31, 2012

OIG Analysis:

The agency's written response is unclear as to how the agency will ensure that the process for registering MML licensee staff for NRC-hosted training courses will be consistent. However, during a followup phone conversation on August 29, 2011, FSME staff explained that the office is working to establish a service level agreement with the NRC TTC. The purpose of the agreement is to inform MML licensee staff of NRC-hosted training courses and provide a consistent process for registration. The agency's proposed actions meet the intent of the recommendation. This recommendation will be closed when OIG reviews the service level agreement and determines that it includes a consistent process for registering MML licensee staff for NRC-hosted training courses.

Status:

Resolved.

Audit Report

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Status of Recommendations

Recommendation 4: Modify guidance to include a risk-informed methodology with requirements on sample size, selection criteria, and inspection frequency for selecting MML permittees for NRC independent inspection.

Agency Response

Dated August 8, 2011:

Agree. We plan to revise Inspection Manual Chapter (IMC) 2810 to incorporate risk-informed criteria that will be factored into the methodology used to select MML permittees for inspection. Additional considerations will include, but not be limited to, primary program codes, escalated enforcement history, significant program change that expands the scope of activities conducted under the permit, or implementation of new NRC initiatives – such as Increased Controls (ICs). However, the staff plans to continue to ensure that the NRC has the latitude in our program to select permittees that may never have been inspected because it may not be considered significant in size or scope of activities.

Completion Date: August 31, 2012

OIG Analysis:

The proposed action meets the intent of the recommendation. This recommendation will be closed when OIG reviews the changes to IMC 2800 and determines it includes a risk-informed methodology for selecting MML permittees for NRC independent inspection.

Status:

Resolved.

Audit Report

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Status of Recommendations

<u>Recommendation 5:</u>	Clearly define all MML licensee staff and master radiation safety committee regulatory oversight responsibilities (e.g., requirements and roles and accountabilities) in NRC regulations, the MMLs, the LOUs, or some combination thereof.
Response Dated Dated August 8, 2011:	<p>Agree. We plan to revise NUREG-1556 Volume 10 to include a comprehensive discussion of roles and responsibilities for the MMLs (staff and Radiation Safety Committee) and also include in the discussion the NRC's role. Additionally, the revision will capture the MML oversight roles and responsibilities in the license (as part of the tie-down documents) and then further refine the roles of the NRC and the MML in the LOU's.</p> <p>In addition, this information and guidance will be added, where applicable, to other documents such as IMC 2810, Inspection Procedure (IP) 87129, and/or Regional Instruction/Division Directives.</p> <p>Completion Date: August 31, 2013</p>
OIG Analysis:	The proposed action meets the intent of the recommendation. This recommendation will be closed when OIG reviews the changes to NUREG-1556 Volume 10 and the MML tie-down documents and determines they clearly define all MML licensee staff and master radiation safety committee regulatory oversight responsibilities.
Status:	Resolved.