

September 17, 2012

MEMORANDUM TO: Stephen D. Dingbaum
Assistant Inspector General for Audits
Office of the Inspector General

FROM: Mark A. Satorius, Director **/RA/**
Office of Federal and State Materials
and Environmental Management Programs

SUBJECT: AUDIT OF U.S. NUCLEAR REGULATORY COMMISSION'S
MASTER MATERIALS LICENSES PROGRAM DESCRIBED IN
OIG-11-A-14

The purpose of this memorandum is to update you on the status of the agency's actions in response to the recommendations regarding the subject line audit. This status report highlights the staff's planned actions and confirms that staff remains on schedule to complete all actions by August 2013. The following status updates are provided for each recommendation:

Recommendation 1

Define regional and headquarters Master Materials Licensees (MML) project managers' roles in responding to requests for guidance and assistance from MML licensee staff.

Status

The Office of Federal and State Materials and Environmental Management Programs, Division of Materials Safety and State Agreements (FSME/MSSA) staff has completed revision of Inspection Manual Chapter 2810 (IMC 2810). The revised IMC 2810 (Enclosure 1) defines and incorporates descriptions of the integrated roles and responsibilities for regional and headquarters MML project managers. These changes include expectations for processing requests for guidance and assistance from MML licensee staff. The completed revision was submitted to the Office of Nuclear Reactor Regulation (NRR) for publication. FSME anticipates that NRR will issue IMC 2810 by March 2013. With the completion of OIG's review of this revised IMC 2810, we consider this recommendation to be closed.

CONTACT: Shirley Xu, FSME/MSSA
(301) 415-7640

Recommendation 2

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

Status

FSME/MSSA staff worked with the Office of the Chief Human Capital Officer (OCHCO) Human Resources Training and Development (HRTD) staff to develop a Service Level Agreement (SLA) regarding training notification and registration for MML licensees. The agreement includes plans for communication of course offerings, the enrollment process and distribution of available course slots, and documentation of course completion. This new process of training notification and registration for MML licensee staff was implemented in January 2012. Positive feedback has been received from MMLs on this new training process (Enclosure 2 - SLA, ML12187A114). With the completion of OIG's review of this SLA, we consider this recommendation to be closed.

Recommendation 3

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

Status

Please see the status provided for Recommendation 2. With the completion of OIG's review of the SLA discussed in Recommendation 2, we consider this recommendation closed.

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.

Status

FSMS/MSSA staff has completed a revision of IMC 2810. The revised IMC 2810 (Enclosure 1) incorporates risk-informed criteria, including requirements in sample size, selection criteria, and inspection frequency, in the methodology used to select MML permittees for inspection. Additional considerations for selecting permittees for inspection include the primary program codes, escalated enforcement history, significant program changes (expanding the scope of activities conducted under the permit), and implementation of new NRC initiatives (e.g., Increased Controls for enhanced security). The completed revision of IMC 2810 was submitted to NRR for publication. FSME anticipates that NRR will issue the revised IMC 2810 by March 2013. With the completion of OIG's review of the revised IMC 2810, we consider this recommendation to be closed.

Recommendation 5

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 Letter of Understanding, or some combination thereof.

Status

FSME/MSSA staff has defined and incorporated descriptions of the integrated roles and responsibilities for regional and headquarters MML project managers, and a definition of MML Radiation Safety Committee, into the revised IMC 2810. This includes expectations for processing requests for guidance and assistance from MML licensee staff and expectations. These roles and responsibilities, as well as the process for requesting guidance and assistance, will be included in the ongoing revision to NUREG-1556, Volume 10, "Consolidated Guidance About Materials Licensees: Program-Specific Guidance About Master Materials Licenses." Additionally, a template Letter of Understanding will be included in the revised volume 10. This NUREG is on schedule for completion by August 31, 2013.

Enclosures:

1. Revised IMC 2810
2. SLA

cc: Michael F. Weber, DEDMRT

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2. SLA

cc: Michael F. Weber, DEDMRT

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OFC	FSME/MSSA	FSME/MSSA	FSME/MSSA	FSME/MSSA	TECH ED	FSME
NAME	S Xu	JFoster	PHenderson	BMcDermott	CPoland	MSatorius
DATE	08/03/2012	08/13/2012	08/16/2012	08/22/2012	08/29/2012	09/17/2012

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