



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

**OFFICE OF THE  
INSPECTOR GENERAL**

December 11, 2012

**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 SAFEGUARDS, MEMORANDUM DATED  
NOVEMBER 27, 2012

Attached is the Office of the Inspector General (OIG) analysis and status of recommendation 1 as discussed in the agency's response dated November 27, 2012. Based on this response, recommendation 1 remains resolved. Please provide an updated status of the resolved recommendation by November 25, 2013.

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 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  
November 27, 2012:

#### Background

On May 31, 2007, the Office of Nuclear Material Safety and Safeguards provided an initial response (ADAMS Accession No. ML071490183) to an OIG request for an update on the status of Recommendation 1. The staff provided several updates on the status of its activities, with the most recent being dated March 6, 2012 (ADAMS Accession No. ML120460982).

#### Response

In the staff requirements memorandum to SECY-11-0140, "Enhancements to the Fuel Cycle Oversight Process," dated January 5, 2012 (ADAMS Accession No. ML111180705), the Commission approved staff's recommendation for enhancing the Fuel Cycle Oversight Process (FCOP). The staff recommended an enhanced FCOP that gives licensees credit for maintaining an effective corrective action program and makes use of cornerstones, a significance determination process, and a performance assessment process, similar to the Reactor Oversight Process. The Commission also directed the NRC staff to develop a publicly available resource-loaded project plan that clearly establishes timelines and major milestones for enhancing the FCOP. The NRC staff completed the Project Plan, which was made publicly available on July 17, 2012 (ADAMS Accession No. 12167A230), and staff is now implementing the Plan, which is expected to be completed in 2017.

## Audit Report

### Audit of NRC's Regulation of Nuclear Fuel Cycle Facilities

OIG-07-A-06

#### Status of Recommendation

##### Recommendation 1 (cont.):

Consistent with the Project Plan milestones, the staff recently met with interested stakeholders to discuss the results of the initial tasks described in the Project Plan and to solicit stakeholder input on these results. The staff is now considering the stakeholder input and the extent to which it should be incorporated into one of the work products, a draft NUREG "Acceptability of Corrective Action Programs for Fuel Cycle Facilities." A Federal Register Notice inviting public comment on this document is scheduled to be published in mid-January 2013.

##### 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.