

April 16, 2013

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

The purpose of this memorandum is to provide an update on the status of the agency's actions in response to the recommendations contained in the Office of the Inspector General's (OIG) audit of U. S. Nuclear Regulatory Commission (NRC) oversight of Master Materials Licensees (MML). This status report highlights the staff's actions. The following status updates are provided for each recommendation:

Recommendation 1

Define regional and headquarters (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 (FSME) revised Inspection Manual Chapter 2810 (IMC 2810) to define and incorporate 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 published in October 2012. This process will also be described in the revision of NUREG-1556, Volume 10-Program-Specific Guidance About Master Materials Licenses. The final revision of NUREG-1556, Volume 10, is tentatively scheduled to be issued in July 2014.

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

The OIG responded to the Executive Director for Operations (EDO) in memorandum dated December 4, 2012, based on the agency's September 17, 2012, memorandum, which states Recommendation 2 is closed.

The staff has completed its actions to address Recommendation 2.

Recommendation 3

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

Status

The OIG responded to the EDO in memorandum dated December 4, 2012, based on the agency's September 17, 2012, memorandum, which states Recommendation 3 is closed.

The staff has completed its actions to address Recommendation 3.

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

FSME revised IMC 2810 (ML12268A417) to incorporate risk-informed criteria, including requirements for sample size, selection criteria, inspection frequency, and 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 revision was published in October 2012.

The staff has completed its action to address Recommendation 4.

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 incorporated descriptions of the integrated roles and responsibilities for an MML Radiation Safety Committee, into the revised IMC 2810 (Section 03.08 and 03.09) as well as in the NUREG-1556 series. The draft revision of NUREG-1556, Volume 10, "Consolidated Guidance About Materials Licensees: Program-Specific Guidance About Master Materials Licenses," Section 5.7 defines the regulatory oversight responsibilities of the MML licensee staff, senior management, and Master Radiation Safety Committee. These include MML senior management's role in overseeing the MML program, Master Radiation Safety Committee's role and authority to control and direct the centralized Radiation Control Program (RCP), the duties of RCP Director and the qualifications and responsibilities of RCP professional staff. Additionally, a template Letter of Understanding containing similar language will be included in the revised NUREG-1556, Volume 10. The final revision of NUREG-1556, Volume 10 is tentatively scheduled to be issued in July 2014.

In summary, the staff considers its responses to all recommendations to be complete. Recommendations 1 and 5 have follow-on documents to be updated (NUREG-1556). However, the necessary guidance has been promulgated through changes to the Inspection Manual Chapter.

cc: Michael F. Weber, DEDMRT

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cc: Michael F. Weber, DEDMRT

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OFC	FSME/MSSA	FSME/MSSA	FSME/MSSA	FSME/MSSA	TECH ED	FSME
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DATE	02/28/2013	03/29/2013	04/08/2013	04/10/2012	04/11/2013	04/16/2013

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