



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

**OFFICE OF THE
INSPECTOR GENERAL**

March 18, 2013

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
ISSUANCE OF GENERAL LICENSES (OIG-12-A-14)

REFERENCE: DIRECTOR, OFFICE OF FEDERAL AND STATE
MATERIALS AND ENVIRONMENTAL MANAGEMENT
PROGRAMS, MEMORANDUM DATED
FEBRUARY 28, 2013

Attached is the Office of the Inspector General's analysis and status of recommendations as discussed in the agency's response dated February 28, 2013. Based on this response, recommendation 1 is closed. Recommendations 2, 3, and 4 remain in resolved status. Please provide an updated status of the recommendations by November 15, 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: K. Brock, OEDO
J. Arildsen, OEDO
C. Jaegers, OEDO

Audit Report

AUDIT OF NRC'S ISSUANCE OF GENERAL LICENSES

OIG-12-A-14

Status of Recommendations

Recommendation 1: Contact current general licensees with general licensed devices containing IAEA Code of Conduct Category 1, 2, or 3 sources, within 180 days, to encourage the general licensee to transfer the device(s) to a specific license(s).

Agency Response Dated
February 28, 2013:

The staff contacted the 13 general licensees with general licensed devices in their possession that contain IAEA Category 3 sources of byproduct material and encouraged them to transfer their devices to a specific license or to obtain a new specific license. Documentation of the conversations with the general licensees is contained in memorandum dated February 20, 2013 (Agencywide Document Access and Management System Accession No. ML13017A228). Only one of the general licensees was willing to consider transferring their devices to a specific license.

There are currently no general licensees with general licensed devices in their possession that contain IAEA Category 1 or 2 sources of byproduct material.

OIG Analysis: OIG reviewed the summary report documenting the results of the conversations with the general licensees and determined that this action meets the intent of the recommendation. This recommendation is therefore considered closed.

Status: Closed.

Audit Report

AUDIT OF NRC'S ISSUANCE OF GENERAL LICENSES

OIG-12-A-14

Status of Recommendations

- Recommendation 2: Visit all general licensees currently in possession of general licensed devices containing IAEA Category 1, 2, or 3 sources within 2 years. Focus such visits on:
- Reviewing records of leak testing and proper operations of open-close mechanisms and indicators.
 - Device use, installations, maintenance and repair to determine that the devices are being used within authorized parameters.

Agency Response Dated
February 28, 2013:

The staff has begun a review of existing NRC inspection procedures for fixed gauges to identify appropriate elements to use to visit/inspect IAEA Category 3 general license devices under either a modified Inspection Procedure or Temporary Instruction. The staff is on target to complete this recommendation by July 31, 2014.

Point of Contract: Ujagar Bhachu, FSME.

OIG Analysis:

The proposed action meets the intent of the recommendation. OIG will close this recommendation when it receives and reviews a summary report documenting the results of visits to general licensees currently in possession of general licensed devices containing IAEA Category 1, 2, or 3 sources.

Status:

Resolved.

Audit Report

AUDIT OF NRC'S ISSUANCE OF GENERAL LICENSES

OIG-12-A-14

Status of Recommendations

Recommendation 3: Monitor agency records for 2 years to identify new general licensees entering the marketplace and visit those in possession of IAEA Category 1, 2, or 3 general licensed devices to ensure that devices are properly installed and that general licensees have adequate understanding of the relevant regulations and their responsibilities.

Agency Response Dated
February 28, 2013:

To support the implementation of the above recommendation, the staff issued a change request for the General License Tracking System (GLTS) software. The requested change will provide a method for the staff to execute a query that identifies new general licensees that have acquired general license devices containing IAEA Category 1, 2, or 3 sources. A Change Control Board meeting was held on February 28, 2013, and the change was approved. The staff anticipates having this change functional by June 15, 2013, and will have a procedure in place for quarterly monitoring the GLTS to identify new GLs entering the marketplace with general license devices containing IAEA Category 1, 2, or 3 sources.

The staff will use the Inspection Procedure or Temporary Instruction developed in response to Recommendation 2 to visit/inspect each new general licensee that has acquired general license devices containing IAEA Category 1, 2, or 3 sources.

Point of Contact: Ujagar Bhachu, FSME.

OIG Analysis: The proposed action meets the intent of the recommendation. OIG will close this recommendation when it receives and reviews 2 years of trip reports documenting the visits to general licensees identified with new fixed gauges that contain Category 1, 2, or 3 sources.

Status: Resolved.

Audit Report

AUDIT OF NRC'S ISSUANCE OF GENERAL LICENSES

OIG-12-A-14

Status of Recommendations

Recommendation 4: Analyze information retrieved from Recommendations 1, 2, and 3 and take additional regulatory action, if needed, within 6 months after completion of data collection.

Agency Response Dated
February 28, 2013:

In response to Recommendation 4, the staff analyzed the information gathered from completion of Recommendation 1 and determined that no additional regulatory action is needed. The staff will reconsider the need for additional regulatory action after completing Recommendations 2 and 3.

Point of Contact: Ujagar Bhachu, FSME.

OIG Analysis: The proposed action meets the intent of the recommendation. OIG will close this recommendation when it receives and reviews an analysis of data collected from the implementation of Recommendations 1, 2, and 3 to determine if additional regulatory action is needed.

Status: Resolved.