



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

**OFFICE OF THE  
INSPECTOR GENERAL**

June 3, 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  
OVERSIGHT OF MASTER MATERIALS LICENSEES  
(OIG-11-A-14)

**REFERENCE:** DIRECTOR, OFFICE OF FEDERAL AND STATE MATERIALS  
AND ENVIRONMENTAL MANAGEMENT PROGRAMS,  
MEMORANDUM DATED APRIL 16, 2013

Attached is the Office of the Inspector General's analysis and status of recommendations 1, 4, and 5 of the subject audit report. Based on the agency's April 16, 2013, memorandum, recommendations 1 and 5 remain resolved, and recommendation 4 is now closed. Recommendations 2 and 3 were previously closed. Please provide an updated status of the resolved recommendations by January 31, 2014.

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: R. Mitchell, OEDO  
K. Brock, OEDO  
J. Arildsen, 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  
April 16, 2013:

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.

OIG Analysis:

The agency's proposed actions to revise NUREG 1556, Volume 10, and to modify IMC 2810 meet the intent of the recommendation. The agency has completed the revisions of IMC 2810. This recommendation will be closed when OIG reviews the revisions to NUREG 1556, Volume 10, and determines that they also 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

OIG-11-A-14

#### 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  
April 16, 2013:

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.

OIG Analysis:

OIG reviewed the revisions to IMC 2810. The agency's methodology, including risk-informed requirements on sample size, selection criteria, and inspection frequency for selecting MML permittees for independent inspection, meets the intent of this recommendation. Therefore, this recommendation is closed.

**Status:**

Closed.

## Audit Report

### AUDIT OF NRC'S OVERSIGHT OF MASTER MATERIALS LICENSEES

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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.
Agency Response Dated April 16, 2013:	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.
OIG Analysis:	The agency's 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.