



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

January 12, 2015

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

FROM: Catherine Haney, Director /RA Keith McConnell for/
Office of Nuclear Material Safety
and Safeguards

SUBJECT: AUDIT OF U.S. NUCLEAR REGULATORY COMMISSION'S
OVERSIGHT OF INDUSTRIAL RADIOGRAPHY (OIG-12-A-15)

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 the U.S. Nuclear Regulatory Commission (NRC) oversight of industrial radiography. This status report highlights the staff's actions and revises the staff's schedule for completing the remaining actions documented in the last status update on January 28, 2014. The following status updates are provided for each recommendation.

Recommendation 1

Require license reviewers to write radiography licenses in a manner that clearly and consistently specifies whether or not licensees are authorized to conduct certain activities (such as offshore, lay-barge, or underwater radiography).

Status

Staff is revising NUREG-1556, Volume 2, "Consolidated Guidance About Materials Licenses: Program-Specific Guidance About Industrial Radiography Licenses," to inform applicants who plan to perform radiographic operations on lay-barges, offshore platforms, or underwater locations that they must specifically request these operations and provide specific operating and emergency procedures to address these unique operations and that specific license conditions will be included for these activities.

CONTACT: Maria Arribas-Colon, NMSS/MSTR
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In November 2011, staff published a draft of NUREG-1556, Volume 2, Revision 1, "Consolidated Guidance About Materials Licenses: Program-Specific Guidance About Industrial Radiography Licenses" for comment. The draft volume included a new Appendix D that provided detailed guidance regarding lay-barge, offshore platform, and underwater radiography procedures and precautions.

The draft document remains available to the public on the NRC's public Web site. The final revision of NUREG-1556, Volume 2, Revision 1, is tentatively scheduled to be issued by the end of the second quarter of 2015. In the last update, the staff had listed January 2015 as the estimated date to finalize the draft volume. However, since all of the 21 volumes in the NUREG-1556 are currently under revision, the target date has been extended due to the staff turnover and the increase in workload for revising the entire NUREG-1556 series.

The staff is continuing its efforts to revise NUREG-1556, Volume 20, "Consolidated Guidance About Materials Licenses: Guidance About Administrative Licensing Procedures," which will include a new draft standard authorization in Item 9: "Authorized Use," and will clarify lay-barge, offshore, and underwater authorization. The final revision of NUREG-1556, Volume 20, is tentatively scheduled to be issued in January 2016.

Completion Date: January 29, 2016

Point of Contact: Maria Arribas-Colon, Project Manager
NMSS/MSTR/MSLB

Recommendation 2

Revise NRC inspection guidance to define the NRC radiography licensees' location(s) that must be inspected each inspection cycle.

Status

In your February 24, 2014, memorandum to Mark A. Satorius, Executive Director for Operations (EDO), OIG indicates that it will consider this recommendation closed when the agency submits, and OIG reviews the updated Inspection Procedure (IP) 87121, "Industrial Radiography Programs." The IP specifies the criteria the inspector should consider when selecting inspection locations. The revised IP 87121 was issued on December 17, 2014. The staff recommends that Recommendation 2 be closed.

Recommendation 3

Revise NRC inspection guidance to include a reliable methodology to select NRC radiography licensee field stations for inspection.

Status

In your February 24, 2014, memorandum to Mark A. Satorius, EDO, OIG indicates that it will consider this recommendation closed when the agency submits, and OIG reviews the updated IP 87121, "Industrial Radiography Programs." The IP specifies the criteria the inspector should consider when selecting inspection locations. The revised IP 87121 was issued on December 17, 2014. The staff recommends that Recommendation 3 be closed.

Recommendation 4

Revise the NRC inspection guidance to require NRC inspectors to take additional steps to arrange a temporary job site inspection for a NRC licensee that has not had a temporary job site inspection for a defined minimum number of consecutive inspections.

Status

In your February 24, 2014, memorandum to Mark A. Satorius, EDO, OIG indicates that it will consider this recommendation closed when the agency submits, and OIG reviews the updated IP 87121, "Industrial Radiography Programs." The IP specifies that the inspector should take additional steps to arrange an inspection at a temporary job site for licensees whose primary operations are conducted at these sites and have not had sites inspected for a defined minimum number of consecutive inspections. The revised IP 87121 was issued on December 17, 2014. The staff recommends that Recommendation 4 be closed.

Recommendation 7

Establish a means to increase awareness of when and where NRC licensees are conducting radiography in NRC jurisdiction offshore.

Status

In June 2013, staff held a conference call with regional inspectors to discuss the possibility of requesting licensees to notify the NRC if they have been or are performing radiographic operations in offshore Federal waters. While it is not a requirement for radiography licensees to notify the NRC of these activities, the staff asked licensees to voluntarily provide notification to the NRC when conducting radiography in NRC jurisdiction offshore. Furthermore, it was noted there is a very small number of NRC licensees that would perform radiography activities in offshore Federal waters since all gulf coast states are Agreement States. NRC reciprocity regulations allow Agreement States licensees to work offshore for up to 360 days.

The staff reviewed the requirements set forth in 10 CFR Part 34 and sought the Office of the General Counsel's (OGC) legal opinion as to whether a license condition could be added that would require licensees to notify the NRC when conducting radiography offshore. OGC indicated that in order to add a license condition to an existing license, the NRC would have to issue an Order which would need a supporting basis under the Atomic Energy Act to justify the action being proposed. The staff determined that NRC does not have supporting basis under the Atomic Energy Act to issue an Order requiring licensees to notify NRC when conducting radiography activities offshore.

In your February 24, 2014, memorandum to Mark A. Satorius, EDO, OIG indicates that it will consider this recommendation closed when (1) the agency provides documentation that indicates that it is the staff practice to ask licensees to voluntarily provide notification to the NRC when conducting licensed activities offshore, and (2) that this practice has been codified, in either IP 87121, or another place the agency deems appropriate.

Staff suggested adding language to the draft IP 87121 indicating that the inspectors should ask licensees to voluntarily provide notifications to the NRC when conducting licensed activities offshore. The staff sought OGC's legal opinion on this option. OGC stated that this would qualify as an information request under the Paperwork Reduction Act and would require the Office of Management Budget approval. To address the recommendation, alternatively, staff added language to IP 87121 indicating that the inspector should identify any ongoing radiography activities that the licensee may be conducting or planning to conduct in offshore waters and identify the location and expected duration of the job(s). Furthermore, language was added to indicate that if any radiography activity offshore is identified during the inspection, an attempt should be made to conduct/schedule offshore inspections. For offshore inspections, the staff needs to coordinate in advance with the Bureau of Safety and Environmental Enforcement (BSEE), who will arrange the transportation to the facilities based on availability. The transportation agreement is documented in Letter of Agreement between BSEE and the NRC dated May 30, 2012 (ML12152A077). The staff believes that the language added to the IP 87121 addresses the recommendation. The revised IP 87121 was issued on December 17, 2014. The staff recommends that Recommendation 7 be closed.

Recommendation 8

Revise NRC inspection guidance to include guidance for inspectors conducting inspections when the NRC licensee's facility is located in an Agreement State.

Status

In your February 24, 2014, memorandum to Mark A. Satorius, EDO, OIG indicates that it will consider this recommendation closed when the agency submits, and OIG reviews the updated Inspection Procedure (IP) 87121, "Industrial Radiography Programs." The IP includes guidance for inspectors conducting inspections of the NRC licensee's facility located in an Agreement State. The revised IP 87121 was issued on December 17, 2014. The staff recommends that Recommendation 8 be closed.

In your February 24, 2014, memorandum to Mark A. Satorius, EDO, OIG indicates that it will consider this recommendation closed when (1) the agency provides documentation that indicates that it is the staff practice to ask licensees to voluntarily provide notification to NRC when conducting licensed activities offshore and (2) that this practice has been codified, in either IP 87121, or another place the agency deems appropriate.

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