



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

**OFFICE OF THE
INSPECTOR GENERAL**

August 31, 2015

MEMORANDUM TO: Mark A. Satorius
Executive Director for Operations

FROM: Stephen D. Dingbaum */RA/*
Assistant Inspector General for Audits

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S
REGULATORY ANALYSIS PROCESS (OIG-15-A-15)

REFERENCE: DEPUTY EXECUTIVE DIRECTOR FOR REACTOR AND
PREPAREDNESS PROGRAMS MEMORANDA DATED
JULY 23, 2015, AND AUGUST 17, 2015

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the agency's responses dated July 23, 2015, and August 17, 2015. Based on these responses, recommendations 1-4 remain in resolved status. Please provide an updated status of the resolved recommendations by December 31, 2016.

If you have any questions or concerns, please contact me at 415-5915 or Eric Rivera, Team Leader, at 415-7032.

Attachments: As stated

cc: M. Galloway, OEDO
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Audit Report

AUDIT OF NRC'S REGULATORY ANALYSIS PROCESS

OIG-15-A-15

Status of Recommendations

Recommendation 1: Develop and implement a formal training/qualification program for cost estimators. The training/qualification program can be incorporated into the office instructions and procedures of the NRC offices with regulatory analysis responsibilities.

Agency Response
Dated July 23, 2015:

Agree. The NRC is committed to continually improving the skill of its cost estimators and will formalize its existing regulatory analysis training/qualification program. The NRC will incorporate this program into office instructions and procedures in accordance with agency processes. Toward that end, the Office of Nuclear Reactor Regulation (NRR) is working in collaboration with the Office of Nuclear Material Safety and Safeguards and the Office of New Reactors to establish and formalize this agency program.

Target Completion Date: December 2016

OIG Analysis: The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews documentation that the agency has developed and implemented a formal training/qualification program for cost estimators.

Status: Resolved.

Audit Report

AUDIT OF NRC'S REGULATORY ANALYSIS PROCESS

OIG-15-A-15

Status of Recommendations

Recommendation 2: Implement established knowledge management techniques for the regulatory analysis program.

Agency Response
Dated July 23, 2015:

Agree. The NRC is currently creating a new cost-benefit guidance document. The new document will replace and expand upon the following NUREGs:

- NUREG/BR-0058, "Regulatory Analysis Guidelines of the U.S. Nuclear Regulatory Commission;"
- NUREG/BR-0184, "Regulatory Analysis Technical Evaluation Handbook;" and
- NUREG-1409, "Backfitting Guidelines."

This new guidance document will establish a single integrated framework to ensure efficient and effective implementation of the NRC's regulatory analysis program. Toward that end, this guidance document will set forth the policy, processes, methodologies, and guidance for regulatory analysis and cost estimating and will incorporate relevant cost estimating best practices, as applicable.

Target Completion Date: February 2017

OIG Analysis:

The proposed corrective action partly addresses the intent of OIG's recommendation. OIG acknowledges the benefits of documenting guidance. However, this recommendation will be closed when OIG receives and reviews documentation that NRR implemented established knowledge management techniques for the regulatory analysis program such as: (1) development of succession plans to help address NRR's need to replace, on a timely basis, competent personnel over the long term; (2) where possible, recapture knowledge from former employees; and (3) development of a mentoring program to capture and transfer key knowledge.

Status:

Resolved.

Audit Report

AUDIT OF NRC'S REGULATORY ANALYSIS PROCESS

OIG-15-A-15

Status of Recommendations

Recommendation 3: Update and implement the cost benefit guidance documents as planned in SECY-14-0002. Incorporate this guidance into office procedures by reference.

Agency Response
Dated July 23, 2015:

Agree. The NRC is currently updating these guidance documents as discussed in the response to Recommendation 2 and will incorporate this guidance into applicable office procedures by reference.

Target Completion Date: February 2017

OIG Analysis:

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews the updated cost benefit guidance documents. NRC must also provide proof for OIG's review, that the guidance documents are implemented and incorporated into office procedures by reference.

Status:

Resolved.

Audit Report

AUDIT OF NRC'S REGULATORY ANALYSIS PROCESS

OIG-15-A-15

Status of Recommendations

Recommendation 4: Develop and implement procedures to consistently document stakeholder input prior to the proposed rule stage.

Agency Response

Dated August 17, 2015:

Agree. The NRC is committed to enhance public participation in NRC public meetings and is currently developing a new policy statement on NRC public meetings, as well as updating associated guidance. The NRC will incorporate this recommendation into the appropriate policy and guidance in accordance with agency processes.

Target Completion Date: December 2016

OIG Analysis:

The proposed corrective action addresses the intent of OIG's recommendation. This recommendation will be closed when OIG receives and reviews procedures to consistently document stakeholder input prior to the proposed rule stage, and proof that the procedures have been implemented.

Status:

Resolved.