



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

January 19, 2016

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

FROM: Scott W. Moore, Acting Director /RA/
Office of Nuclear Material Safety
and Safeguards

SUBJECT: AUDIT OF THE U.S. NUCLEAR REGULATORY COMMISSION'S
TITLE 10 OF THE *CODE OF FEDERAL REGULATIONS* PART
31 GENERAL LICENSING PROGRAM (OIG-12-A-21)

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 Title 10 of the *Code of Federal Regulations* Part 31 General License Program. This status report highlights the staff's actions. The following updates are provided for each recommendation.

Recommendation 2

Develop and implement procedures for NRC to periodically re-inform existing general licensees of applicable regulatory requirements.

Status

The staff considered its approach to implementation of Recommendation 1 (Agencywide Documents and Management System [ADAMS] Accession No. ML13310A525) in developing a cost effective and efficient procedure to periodically re-inform existing general licensees of applicable regulatory requirements. At the present time, there are approximately 17,500 general licensees under NRC jurisdiction. The staff determined that it is not cost effective to issue 17,500 letters (at an approximate cost of \$1.05 million) to periodically re-inform all existing general licensees of applicable regulatory requirements when the number of events related to general licensees is low and relatively constant.

CONTACT: Hector Rodriguez, NMSS/MSTR
(301) 415-6004

The staff met with the OIG on October 24, 2014, to discuss how best to meet the intent of this recommendation. As discussed with OIG, the staff decided to decrease the number of correspondences by not including the following:

- General licensees with very low safety significant devices, such as self-luminous exit signs that contain Tritium (H-3). There are approximately 10,000 general licensees with Tritium exit signs.
- General licensees that are required by regulation to annually register their generally licensed devices. The staff communicates with these licensees on an annual basis, so these licensees are very aware of the applicable regulatory requirements. There are approximately 750 general licensees that possess registrable devices.
- General licensees that the staff contacted over the past year, from July 2013 to October 2014, to address Recommendation 1. Approximately 390 general licensees (not including general licensees with exit signs) were re-informed of applicable regulatory requirements.

In the memorandum dated December 3, 2014, the staff stated that approximately 6,360 letters would be sent to general licensees. The staff decided to inform the U.S. Navy of all their general licenses in one letter. The same was done for the U.S. Marines. Thus, the NRC sent a total of 5,978 correspondences between January 2015 and December 2015 to general licensees that do not fall under any of the categories described above. The General Licensing Tracking System (GLTS) contractor processed and issued form letters to re-inform 5,978 general licensees of applicable regulatory requirements.

Multiple general licensees, after receiving the NRC correspondence, contacted the General License Project Manager to provide information about the generally licensed devices they possess or possessed. GLTS was updated with the information provided by general licensees.

As a result of Recommendation 1, the staff reviewed and updated the GLTS manual to reflect appropriate guidance (ADAMS Accession No. ML13261A199) to inform new general licensees of applicable regulatory requirements. The staff will follow this guidance to send form letters at the end of every calendar year to new general licensees to inform them of applicable regulatory requirements. The staff will continue to monitor materials events for any adverse trends. If a noteworthy increase in events is observed, the staff will review the need for additional communication with NRC general licensees. The staff considers this action to be completed.

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