



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

September 23, 2016

MEMORANDUM TO: Victor M. McCree
Executive Director for Operations

FROM: Steven E. Zane **IRI**
Acting Assistant Inspector General for Audits

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S
OPERATOR LICENSING PROGRAM FOR THE AP1000
POWER REACTOR (OIG-16-A-08)

REFERENCE: DIRECTOR, OFFICE OF NEW REACTORS
MEMORANDUM DATED AUGUST 29, 2016

Attached is the Office of the Inspector General's analysis and status of recommendations as discussed in the agency's response dated August 29, 2016. Based on this response, recommendation 2 is closed and 1 remains resolved. Please provide an updated status of the resolved recommendation by February 28, 2017.

If you have questions or concerns, please call me at 415-5915 or Paul Rades, Team Leader, at 415-6228.

Attachment: As stated

cc: R. Lewis, OEDO
H. Rasouli, OEDO
J. Jolicouer, OEDO
J. Bowen, OEDO
EDO_ACS Distribution Resource

Audit Report

AUDIT OF NRC'S OPERATOR LICENSING PROGRAM FOR THE AP1000 REACTOR

OIG-16-A-08

Status of Recommendations

Recommendation 1:

Develop and implement an agencywide, consistent interpretation of regulations and guidance to address issues specific to new reactor operator licensing requirements.

Agency Response Dated
August 29, 2016:

NRC staff update, actions taken and planned:
The Human Performance, Operator Licensing, and Inspection, Test, Analysis, and Acceptance Criterion/Criteria (ITAAC) Branch in the Office of New Reactors (NRO) will work with the Operator Licensing and Training Branch in the Office of Nuclear Reactors Regulation (NRR), Region II, and Office of the General Counsel (OGC) to address the following: the time interval between the written examination and operating test administrations for AP1000 facilities currently under construction; and the requirements to qualify a simulator as a Commission-approved simulation facility for use in AP1000 operating tests. The group will work together to develop AP1000 consensus positions for each of the areas. Based on the consensus positions, the group will determine the impact on operator licensing for currently operating reactors.

The staff has formed a working group consisting of representatives from the NRO/Human Performance Operator Licensing and ITAAC Branch (HOIB), NRR/Operators Licensing Training Branch (OLTB), R-II/Operations Branch (OB), and OGC. The working group has received the audit report for review and began group discussions in August 2016.

Since the staff is developing agency positions and manpower is limited, the staff would like to extend the due date for Recommendation 1 from September 30, 2016, to February 28, 2017. Additionally, the NRC administered the first Vogtle Unit 3 operator licensing examination in July 2016 and will administer the first VC Summer Unit 2 operator licensing examination in September 2016. Extending this due date as requested would allow the staff to incorporate experience and lessons learned from these first two examinations.

Audit Report

AUDIT OF NRC'S OPERATOR LICENSING PROGRAM FOR THE AP1000 REACTOR

OIG-16-A-08

Status of Recommendations

Recommendation 1 (con't):

Target Completion Date: The staff is currently scheduled to complete this activity by September 30, 2016. However, the staff is proposing a new target completion date of February 28, 2017.

OIG Analysis:

The proposed actions continue to meet the intent of the recommendation. This recommendation will be closed when OIG verifies that NRC has completed its proposed actions to have NRO, NRR, Region II, and the Office of the General Counsel (1) address and develop a consensus on the time interval between written examination and operating test administrations for AP1000 facilities currently under construction, (2) address the requirements to qualify a simulator as a Commission-approved simulation facility for use in AP1000 operating tests, and (3) determine the impact on operator licensing for currently operating reactors.

Status:

Resolved.

Audit Report

AUDIT OF NRC'S OPERATOR LICENSING PROGRAM FOR THE AP1000 REACTOR

OIG-16-A-08

Status of Recommendations

Recommendation 2: Implement staff processes for documenting, addressing, communicating, and monitoring key decisions relevant to new reactor operator licensing requirements.

Agency Response Dated
August 29, 2016:

NRC staff update, actions taken:

The staff has reviewed and revised all operator licensing manual chapters (OLMC) to require NRO operator licensing review and concurrence for all operator licensing activities involving new reactors. These OLMC revisions were jointly drafted by staff from NRO/DCIP/HOIB and NRR/DIRS/IOLB. The regions reviewed the revised manual chapters and provided comments which staff considered and incorporated where appropriate. These revisions incorporate the Human Performance, Operator Licensing and ITAAC Branch into the existing processes of the Operator Licensing and Training Branch OLMC procedures to ensure that decisions related to new reactor operator licensing are monitored, addressed, documented, and communicated for current and future operator licensing managers and staff. The revisions also reflect the current processes in use and enhance consistency and efficiency across the regions.

The NRC approved the revised operator licensing manual chapters for use on July 28, 2016 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML16209A511). The revised operator licensing manual chapters are as follows:

- OLMC-110, "Control of Operator Licensing Guidance Documents" (ML16208A461)
- OLMC-160, "Regional Office Interactions" (ML16208A466)
- OLMC-310, "Regional Office Review Procedure" (ML16208A479)
- OLMC-320, "IOLB/HOIB Review of Initial Licensing Examinations" (ML16208A481)

Audit Report

AUDIT OF NRC'S OPERATOR LICENSING PROGRAM FOR THE AP1000 REACTOR

OIG-16-A-08

Status of Recommendations

Recommendation 2 (Con't):

- OLMC-330, "Operator Licensing Oversight Program" (ML16209A005)
- OLMC-500, "Processing Requests for Administrative Reviews and Hearings" (ML16209A008)

With these actions, we consider Recommendation 2 to be complete and recommend closure.

OIG Analysis:

OIG has reviewed and verified that NRC has completed its revisions to the operator licensing manual chapters. OIG analysis concludes that this operator licensing guidance has been updated to include internal control activities to ensure that decisions related to new reactor operator licensing are monitored, addressed, documented, and communicated for current and future operator licensing managers and staff. These completed actions meet the intent of the recommendation.

Status:

Closed.