



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

OFFICE OF THE
INSPECTOR GENERAL

October 5, 2016

MEMORANDUM TO: Victor M. McCree
Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S
OVERSIGHT OF 10 CFR 50.59, "CHANGES, TESTS, AND
EXPERIMENTS" (OIG-16-A-19)

REFERENCE: DEPUTY EXECUTIVE DIRECTOR FOR REACTOR AND
PREPAREDNESS PROGRAMS MEMORANDUM DATED
SEPTEMBER 21, 2016

Attached is the Office of the Inspector General's analysis and status of recommendations as discussed in the agency's response dated September 21, 2016. Based on this response, recommendations 1 and 2 are resolved. Please provide a status update on these recommendations by March 21, 2017.

If you have questions or concerns, please call me at (301) 415-5915 or Paul Rades, Team Leader, at (301) 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 OVERSIGHT OF 10 CFR 50.59, "CHANGES, TESTS, AND EXPERIMENTS."

OIG-16-A-19

Status of Recommendations

Recommendation 1: Implement a structured approach for [Title 10 of the *Code of Federal Regulations* Section 50.59] 10 CFR 50.59 process management that includes guidance clarification and coordination of program communications.

Agency Response Dated
September 21, 2016:

We agree with this recommendation.

The Office of Inspector General points to examples where regional and headquarters staff who had questions about 10 CFR 50.59 guidance did not inform or obtain an answer from the 10 CFR 50.59 process owner. The staff has planned corrective actions to address both the structure and communications aspects of this recommendation.

While the current "structure" exists in the Generic Communications Branch (PGCB) in the Division of Policy and Rulemaking (DPR) in the Office of Nuclear Reactor Regulation (NRR) as the 10 CFR 50.59 process owner, NRR plans to move this responsibility to the Division of Inspection and Regional Support (DIRS), targeted for October 2016, as part of the first phase of a larger restructuring of the office. NRR believes transitioning this capability to a branch in DIRS (most likely the Reactor Inspection Branch) will better align this capability within the suite of support functions to the regions that currently reside in DIRS. It will also address the Office of the Inspector General (OIG) concerns regarding the staff approaching knowledgeable staff in both DPR and DIRS regarding 10 CFR 50.59 process questions, by housing this support function in the division where the regions get most of their support.

As the OIG recommendation regarding program communication is both a regional and headquarters staff awareness issue, the planned corrective actions are intended to address both intended audiences. Using communication resources sponsored by DIRS, including a

Audit Report

AUDIT OF NRC'S OVERSIGHT OF 10 CFR 50.59, "CHANGES, TESTS, AND EXPERIMENTS."

OIG-16-A-19

Status of Recommendations

Recommendation 1 (Con't):

biweekly call with the regions and other offices and the quarterly inspector newsletter, NRR will remind regional staff regarding the 10 CFR 50.59 process owner. Headquarters staff will be informed via e-mail to all NRR Branch Chiefs and Technical Assistants. As the process owner and subject matter expert, the cognizant staff in DIRS will ask regional and headquarters staff to leverage the 10 CFR 50.59 expertise within the responsible branch in DIRS. Staff will be reminded to contact the branch when 10 CFR 50.59 challenges arise to better ensure consistency across the agency and provide for program communications and guidance clarifications.

Completion Date: 12/31/2016

Point of Contact: Christopher M. Regan, NRR/DIRS
301-415-2768

OIG Analysis:

The proposed actions meet the intent of this recommendation. OIG will close this recommendation after reviewing appropriate documentation, and other information as needed, to verify that staff have undertaken these actions as described.

Status:

Resolved.

Audit Report

AUDIT OF NRC'S OVERSIGHT OF 10 CFR 50.59, "CHANGES, TESTS, AND EXPERIMENTS."

OIG-16-A-19

Status of Recommendations

Recommendation 2: Implement recurring 10 CFR 50.59 training with an emphasis on scope, depth, and periodicity of training.

Agency Response Dated
September 21, 2016: We agree with this recommendation.

The staff has planned corrective actions to address this recommendation. Based on staff evaluations of lessons learned from the San Onofre Nuclear Generating Station steam generator tube event, the staff identified a need to develop broad-reaching training to ensure proper understanding of the 10 CFR 50.59 process. As a first step, staff from NRR conducted training on 10 CFR 50.59 in each regional office. Subsequently, the Office of the Chief Human Capital Officer (OCHCO) developed a new training course to enhance inspector understanding of the 10 CFR 50.59 process.

OCHCO subsequently developed an on-demand online course in iLearn, and all Reactor Oversight Process inspectors completed the course this year. Initial feedback indicates the training covers the necessary 10 CFR 50.59 topics and has enhanced understanding of the rule.

Based on an occupational assessment of inspector needs, OCHCO, in coordination with NRR and the IMC 1245 working group, will be adding 10 CFR 50.59 process refresher training to the reactor technology review courses. These courses are attended every 3-to-6 years by inspectors qualified to IMC 1245, Appendix C1, "Reactor Operations Inspector Technical Proficiency Training and Qualification Journal," and Appendix C2, "Reactor Engineering Inspector Technical Proficiency Training and Qualification Journal," to maintain inspection qualifications in accordance with IMC 1245, Appendix D1. Once implemented, the staff will periodically review the training to determine if new information or requirements are needed. This covers the necessary population of regional inspectors

Audit Report

AUDIT OF NRC'S OVERSIGHT OF 10 CFR 50.59, "CHANGES, TESTS, AND EXPERIMENTS."

OIG-16-A-19

Status of Recommendations

Recommendation 2 (Con't):

for reviewing 10 CFR 50.59 issues. The staff plans to revise IMC 1245 by the end of calendar year 2016 to add the new 10 CFR 50.59 training to the inspector qualification requirements contained in IMC 1245, Appendices C1 and C2.

The NRR office instruction for project manager qualifications (ADM-504) includes 10 CFR 50.59 in the position-specific initial qualifications for the Reactor Technical Reviewer (Appendix A), License Renewal Technical Auditor/Team Leader (Appendix B), Operating Reactor Licensing Project Manager (Appendix D), Reactor Regulation Project Manager (Appendix E), License Renewal Project Manager (Appendix F), Research and Test Reactor Project Manager (Appendix J), and Reliability and Risk Analyst (Appendix M). The recently developed iLearn 10 CFR 50.59 training is available on an as-needed basis for refresher training.

Completion Date: 12/31/2016

Points of Contact: David K. Allsopp, NRR/DIRS
301-415-3073

Steven D. Cochrum, OCHCO
423-855-6615

OIG Analysis:

The proposed actions meet the intent of this recommendation. OIG will close this recommendation after verifying that the upcoming IMC 1245 revision addresses 10 CFR 50.59 training, and after verifying staff plans for periodic reviews to determine if new information or requirements are needed.

Status:

Resolved.