



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

March 13, 2017

MEMORANDUM TO: Dr. Brett M. Baker
Assistant Inspector General for Audits
Office of the Inspector General

FROM: William M. Dean, Director **/RA/**
Office of Nuclear Reactor Regulation

SUBJECT: STATUS OF RECOMMENDATIONS: OFFICE OF THE
INSPECTOR GENERAL'S AUDIT OF NUCLEAR REGULATORY
COMMISSION'S OVERSIGHT OF TITLE 10 OF THE CODE OF
FEDERAL REGULATIONS SECTION 50.59, "CHANGES, TESTS
AND EXPERIMENTS" (OIG-16-A-19)

This memorandum responds to your October 5, 2016, request (Agencywide Documents Access and Management System (ADAMS) accession number ML16279A037) for an update on the status of the recommendation of the Office of the Inspector General (OIG) Audit OIG-16-A-19, "Oversight of 10 CFR 50.59, 'Changes, tests and experiments,'" dated August 24, 2016, (ADAMS accession number ML16237A039).

The staff has completed actions in response to the OIG's audit and believes that the completed actions for Recommendations 1 and 2 are responsive to OIG's analysis. The Office of the Executive Director for Operations provided an initial response to the OIG audit recommendation on September 21, 2016, (ADAMS accession number ML16252A172).

If you have any questions regarding this document, please contact the individual identified below.

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STATUS OF RECOMMENDATIONS: OFFICE OF THE INSPECTOR GENERAL'S AUDIT OF NUCLEAR REGULATORY COMMISSION'S OVERSIGHT OF TITLE 10 OF THE CODE OF FEDERAL REGULATIONS SECTION 50.59, "CHANGES, TESTS AND EXPERIMENTS" (OIG-16-A-19): DATED : March 13, 2017

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***Concurred via email**

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**STATUS OF RECOMMENDATIONS:
AUDIT OF NRC'S OVERSIGHT OF TITLE 10 OF THE CODE OF
FEDERAL REGULATIONS SECTION 50.59, "CHANGES, TESTS AND EXPERIMENTS"
(OIG-16-A-19)**

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.

Update:

Action Complete. In October 2016, the 10 CFR 50.59 process owner has relocated from the Division of Policy and Rulemaking (DPR) to the Division of Inspection and Regional Support (DIRS) within the Office of Nuclear Reactor Regulation (NRR). NRR believes the transition of this capability to DIRS 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 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.

In order to leverage 10 CFR 50.59 expertise, DIRS has communicated with regional and NRR staff to contact DIRS when 10 CFR 50.59 challenges arise. This will better ensure consistency across the agency and provide for program communications and guidance clarifications. DIRS has communicated with regional and NRR staff via (1) a biweekly call with the regions and other offices on February 3, 2017, (2) issuance of a quarterly inspector newsletter on January 31, 2017, (3) an e-mail to all NRR technical assistants on January 30, 2017, and (4) an e-mail to all NRR branch chiefs on February 6, 2017. Records of such internal communications can be forwarded via e-mail if desired.

Completion Date: 2/6/2017

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Recommendation 2:

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

Update:

Action Complete. The Office of the Chief Human Capital Officer (OCHCO) has incorporated training on 10 CFR 50.59 into the refresher courses (R-904 B/P) to implement recurring training. These courses are required on a periodic basis (every three to six years) by inspectors qualified to Inspection Manual Chapter (IMC) 1245, Appendixes C1 and C2 in

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order to maintain inspection qualifications in accordance with IMC 1245, Appendix D1, "Maintaining Qualifications."

The first offering of the updated refresher courses is later this fiscal year. Student feedback will be used to evaluate topic scope and depth, and to identify any needed modifications. Training material on the 10 CFR 50.59 process will be maintained current by periodic reviews, including coordination with applicable IMC working groups.

The below additional actions have also been completed. OCHCO developed a new iLearn training course to enhance inspector understanding of the 10 CFR 50.59 process. In 2016, this course was assigned and completed by inspectors who conduct 10 CFR 50.59 inspections.

The staff revised qualification requirements in December 2016, to ensure qualifying inspectors received this new training on the 10 CFR 50.59 process. Specifically, the staff revised IMC 1245, "Qualification Program for New and Operating Reactor Programs" to require completion of the 10 CFR 50.59 training course for inspectors qualified to Appendix C-1, "Reactor Operations Inspector Technical Proficiency Training and Qualification Journal" (ADAMS accession number ML16301A167) and Appendix C-2, "Reactor Engineering Inspector Technical Proficiency Training and Qualification Journal" (Agencywide Documents Access and Management System (ADAMS) accession number ML16301A158). Additionally, OCHCO incorporated course material on 10 CFR 50.59 into required training for inspectors qualifying to Appendix C1 and C2, namely, the advanced technology series courses (R-504 B/P).

Completion Date: 12/31/2016

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