



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

**OFFICE OF THE
INSPECTOR GENERAL**

December 5, 2017

MEMORANDUM TO: Victor M. McCree
Executive Director for Operations

FROM: Dr. Brett M. Baker */RA/*
Assistant Inspector General for Audits

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S
OVERSIGHT OF SECURITY AT DECOMMISSIONING
REACTORS (OIG-17-A-09)

REFERENCE: DEPUTY EXECUTIVE DIRECTOR FOR REACTOR AND
PREPAREDNESS PROGRAMS, MEMORANDUM DATED
NOVEMBER 20, 2017

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the agency's response dated November 20, 2017. Based on this response, recommendations 1 and 2 remain resolved and recommendation 3 is closed. Please provide an updated status of the resolved recommendations by September 28, 2018.

If you have any questions or concerns, please call me at (301) 415-5915, or Beth Serepca, Team Leader at (301) 415-5911.

Attachment: As stated

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

Audit Report

AUDIT OF NRC'S OVERSIGHT OF SECURITY AT DECOMMISSIONING REACTORS

OIG-17-A-09

Status of Recommendations

Recommendation 1: Clarify the fitness-for-duty elements that are necessary to comply with Title 10 of the *Code of Federal Regulations* (10 CFR) 73.55(b)(9)(ii), insider mitigation program (IMP).

Agency Response Dated
November 20, 2017:

The Regulatory Guide (RG) 5.77 was submitted to the Commission for their review and approval via SECY -17-0095 on September 21, 2017.

Staff estimates that the RG will be published by September 2018.

OIG Analysis:

The proposed actions meet the intent of the recommendation. OIG will close this recommendation when OIG receives verification that the published Regulatory Guide clarifies the fitness-for-duty elements that are necessary to comply with the Code of Federal Regulations insider mitigation program.

Status:

Resolved.

Audit Report

AUDIT OF NRC'S OVERSIGHT OF SECURITY AT DECOMMISSIONING REACTORS

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Status of Recommendations

Recommendation 2: Develop rule language in 10 CFR Part 26 that describes the necessary fitness-for-duty requirements for decommissioning licensees.

Agency Response Dated
November 20, 2017:

Based on internal and external stakeholder comments, the staff completed the final regulatory basis pertaining to fitness-for-duty recommending changes to both 10 CFR Part 26 and 10 CFR 73.55(b). The final regulatory basis has been submitted to the Commission as part of the overall decommissioning rulemaking regulatory basis and is expected to be published shortly. In addition, staff has completed a draft of proposed rule text changes.

COMPLETION DATE: The proposed rule is currently due to SECY in May 2018; the final rule is currently due to SECY in October 2019.

OIG Analysis:

The proposed actions meet the intent of the recommendation. This recommendation will be closed when OIG receives confirmation the staff developed rule language in 10 CFR Part 26 that describes the necessary fitness-for-duty requirements for decommissioning licensees.

Status:

Resolved.

Audit Report

AUDIT OF NRC'S OVERSIGHT OF SECURITY AT DECOMMISSIONING REACTORS

OIG-17-A-09

Status of Recommendations

Recommendation 3: Develop requirements for decommissioning power reactor licensees to implement a fatigue management program commensurate with the security significance of the activities being performed.

Agency Response Dated
November 20, 2017:

In support of the proposed rulemaking on "Regulatory Improvements for Reactors Transitioning to Decommissioning," the NRC staff completed a regulatory basis. The NRC staff considered three options in the regulatory basis: (1) no action; (2) voluntary industry initiatives for fatigue management; and (3) rulemaking to codify fitness-for-duty fatigue requirements for decommissioning power reactors.

During development of the regulatory basis, NRC staff concluded that imposing requirements for decommissioning licensees to comply with fatigue related standards would constitute a backfit. The NRC staff provided details in the regulatory basis that demonstrates there is insufficient basis to recommend a rulemaking that would provide a substantial increase in the protection of public health and safety (i.e., staff concluded that a backfit could not be cost justified). NRC staff review of operating experience has not revealed safety significant issues at decommissioning sites concerning fatigue, and indicates licensees have maintained some level of fatigue management at decommissioning sites in accordance with their security plans.

The NRC staff reviewed the voluntary initiatives proposed by the industry, as reflected in NEI 15-08. Based on that review, NRC staff concluded that the NRC would likely incur significant costs to align on an adequate fatigue management program using NEI 15-08 as the starting position. For this reason, and the lack of significant issues concerning fatigue at decommissioning sites as mentioned above, the NRC staff has recommended not to pursue endorsement of voluntary industry initiatives at this time.

Audit Report

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Status of Recommendations

Recommendation 3 (cont.)

Based on the reasons stated above, the NRC staff is recommending no action to extend the applicability of 10 CFR Part 26, Subpart I to decommissioning licensees.

COMPLETION DATE: NRC staff requests that Recommendation 3 be closed.

OIG Analysis:

OIG had previously agreed with the planned agency actions to close the recommendation. As detailed above, the agency performed a regulatory basis with three options. OIG determined that requirements for decommissioning power reactor licensees to implement a fatigue management program is not needed. The agency actions taken satisfy OIG that the recommendation can be closed. This recommendation is therefore considered closed.

Status:

Closed.