



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

**OFFICE OF THE
INSPECTOR GENERAL**

March 15, 2018

MEMORANDUM TO: Victor M. McCree
Executive Director for Operations

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

SUBJECT: AUDIT OF THE U.S. NUCLEAR REGULATORY
COMMISSION'S OVERSIGHT FOR ISSUING
CERTIFICATES OF COMPLIANCE FOR RADIOACTIVE
MATERIAL PACKAGES (OIG-17-A-21)

REFERENCE: DIRECTOR, OFFICE OF NUCLEAR MATERIAL SAFETY
AND SAFEGUARDS, MEMORANDUM DATED
FEBRUARY 21, 2018

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the agency's response dated February 21, 2018. Based on this response, recommendations 1, 2, 3, and 4 remain resolved. Please provide an updated status of the resolved recommendations by October 1, 2018.

If you have any questions or concerns, please call me at (301) 415-5915, or Sherri Miotla, Team Leader at (301) 415-5914.

Attachment: As stated

cc: R. Lewis, OEDO
H. Rasouli, OEDO
J. Jolicoeur, OEDO
J. Bowen, OEDO
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Audit Report

AUDIT OF U.S. NUCLEAR REGULATORY COMMISSION'S OVERSIGHT FOR ISSUING CERTIFICATES OF COMPLIANCE FOR RADIOACTIVE MATERIAL PACKAGES

(OIG-17-A-21)

Status of Recommendations

Recommendation 1: Conduct an analysis to develop the regulatory and technical bases for the Part 71 certificates of compliance term.

Agency Response Dated
February 21, 2018:

The staff drafted an action plan to address the recommendations in the audit report and began to coordinate with officials at the Department of Transportation (DOT). The staff has initiated the task of gathering and reviewing historical documents related to the term for certificates of compliance along with key studies on transportation risk. These documents will support the staff's technical and regulatory basis. Further, the staff has kept public and industry stakeholders updated on these activities. The staff made a presentation at last year's Division of Spent Fuel Management's Regulatory Conference discussing the OIG's audit, findings, and the staff's efforts to address the findings. Next steps include further coordination with DOT and consultation with key international counterparts. This will be followed by drafting the regulatory and technical basis.

Target Completion Date: September 2018.

OIG Analysis: The proposed actions meet the intent of the recommendation. OIG will close the recommendation after verifying that NRC has conducted an analysis to develop the regulatory and technical bases for the Part 71 certificates of compliance term.

Status: Resolved.

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(OIG-17-A-21)

Status of Recommendations

Recommendation 2: Document and communicate to stakeholders NRC's analysis results identifying the bases for an appropriate term for Part 71 certificates of compliance.

Agency Response Dated
February 21, 2018:

As discussed above with respect to Recommendation No. 1, the staff is conducting an analysis. Once that analysis is complete, the staff will document its findings and make those findings publicly available in the Agencywide Documents Access and Management System. Additionally, the staff will discuss the analysis and its results at the annual regulatory conference related to spent fuel, as well as updating internal guidance documents as appropriate, based on the analysis results.

Target Completion Date: December 2018.

OIG Analysis: The proposed actions meet the intent of the recommendation. OIG will close the recommendation after verifying that NRC has documented and communicated the results of the analysis to develop the regulatory and technical bases for the Part 71 certificates of compliance term to stakeholders.

Status: Resolved.

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(OIG-17-A-21)

Status of Recommendations

Recommendation 3: Establish sufficient internal controls by updating NRC guidance related to Part 72.48 review procedures.

Agency Response Dated
February 21, 2018:

The staff made major changes to Division Instruction (DI) SFM-18, "10 CFR Part 72 and Spent Fuel Storage Guidance," including the title. The staff added an Appendix C to the subject DI that includes guidance for the review of Certificate of Compliance holder and licensee 72.48 biennial summaries. The staff deleted the footnote that referenced the 72.48 Task Group Charter (Charter) and the 72.48 Task Group Objectives (Objectives). The Steering Committee and Task Group will be sunset and existing division processes will provide for handling 72.48 biennial summaries and 72.48 evaluations. The completion date for this revision has been changed to reflect the completion of the revised Division Instruction.

Target Completion Date: March 2018.

OIG Analysis: The proposed actions meet the intent of the recommendation. OIG will close the recommendation after verifying that NRC has completed revising Division Instruction SFM-18 and included sufficient internal controls.

Status: Resolved.

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(OIG-17-A-21)

Status of Recommendations

Recommendation 4: Establish sufficient internal controls by developing and implementing training for Part 72.48 review process

Agency Response Dated
February 21, 2018:

The staff is currently updating the training module for the 10 CFR 72.48 review process to reflect the latest guidance described in Appendix C of Division Instruction SFM-18. This training module will be used as an instructor-led Division of Spent Fuel Management training course on the 10 CFR 72.48 process. The course will be applicable to project managers, technical reviewers, and inspectors.

Target Completion Date: May 2018.

OIG Analysis:

The proposed actions meet the intent of the recommendation. OIG will close the recommendation after confirming NRC has developed and implemented training for the 10 CFR 72.48 review process and has made it available to applicable project managers, technical reviewers, and inspectors.

Status:

Resolved.