



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

March 8, 2019

MEMORANDUM TO: John Tappert, Director
Division of Decommissioning, Uranium Recovery,
and Waste Programs
Office of Nuclear Materials Safety and Safeguards

FROM: Anthony Bowers, Chief /RA/
Financial Projects Branch
Division of Licensing Projects
Office of Nuclear Reactor Regulation

SUBJECT: 2018 EXTERNAL EVALUATION OF THE DECOMMISSIONING
FINANCIAL ASSURANCE INSTRUMENT SECURITY PROGRAM
AND INVENTORY

In accordance with draft Management Directive (MD) 8.12, "Decommissioning Financial Assurance Instrument Security Program," MD 12.1, "NRC Facility Security Program," dated September 28, 2016, and NUREG-1757, Vol. 3, Rev. 1 "Consolidated Decommissioning Guidance," dated February 2012, my staff conducted an external evaluation of financial assurance instruments for decommissioning maintained by your organization to ensure that these instruments were properly stored, accurate, and complete.

Pursuant to draft MD 8.12, the NRR staff shall randomly evaluate 25 percent of the financial assurance instrument files from the Division of Decommissioning, Uranium Recovery, and Waste Programs (DUWP), within the Office of Nuclear Materials Safety and Safeguards (NMSS), every two years, by the end of the calendar year. If any major concerns are identified (e.g., financial instruments are found to be missing without adequate documentation), NRR shall evaluate an additional 25 percent of the files at random from NMSS/DUWP, at its discretion.

Enclosures:

1. External Evaluation Report
2. Findings of the 2018 External Evaluation
3. NMSS Financial Instruments Master Log

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Enclosures transmitted herewith contain SUNSI. When separated from enclosures, this transmittal document is decontrolled.

The results of NRR staff's external evaluation are documented in the enclosed report. Also enclosed, is a spreadsheet containing each financial instrument evaluated, any discrepancies identified, and a brief description for how these discrepancies were dispositioned. For reference, the NMSS master log of financial instruments is provided as Enclosure 3.

In summary, the external evaluation was performed by two Financial Analysts from within my branch. The external evaluation occurred between October and December 2018. The initial 25 percent (12 of 48) of financial assurance instruments evaluated by NRR resulted in notable concerns that warranted the review of an additional 25 percent of the files. The notable concerns included consideration for two financial assurance instrument files that could not initially be accounted for, in addition to several discrepancies identified with the files themselves, and in comparison, to the master log. The NRR staff engaged your staff within DUWP to discuss its findings for appropriate follow-up and disposition. Overall, the NRR staff concluded that the original signed financial assurance instruments are being properly safeguarded and opportunities exist for NMSS staff to improve the recordkeeping and overall management and maintenance of the program.

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DATED

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