



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

**OFFICE OF THE
INSPECTOR GENERAL**

July 11, 2019

MEMORANDUM TO: Margaret M. Doane
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 APRIL 29,
2019

Attached is the Office of the Inspector General's (OIG) analysis and status of recommendations as discussed in the agency's response dated April 29, 2019. Based on this response, recommendations 1 and 3 are closed. Recommendation 2 remains open and resolved. Please provide an updated status of the resolved recommendation by November 1, 2019.

If you have any questions or concerns, please call me at (301) 415-5915, or Jacki Storch, Team Leader, at (301) 415-2877.

Attachment: As stated

cc: C. Haney, OEDO
D. Jackson, OEDO
J. Jolicoeur, 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
April 29, 2019:

The staff has finalized its work in determining an appropriate expiration term for the certificates of compliance for transportation packages. The staff is finalizing the Basis Document in which the staff discusses its evaluations in determining the appropriate expiration term and documents its findings. The basis document will be publicly available in ADAMS.

OIG Analysis: OIG has verified that NRC has conducted an analysis and developed the final regulatory and technical bases for the Part 71 certificates of compliance term. This basis document is publicly available in ADAMS. This meets the intent of the recommendation. Therefore, this recommendation is now considered closed.

Status: Closed.

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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
April 29, 2019:

The staff presented its work in evaluating the appropriate expiration term at the DSFM's Annual Regulatory Conference on December 11, 2018. In this presentation, the staff discussed the work staff had done in determining the appropriate expiration term, including conclusions from the staff's analysis. The staff will 1) publish a notice in the *Federal Register* informing the public, including stakeholders, of the availability of the regulatory basis, 2) ensure the basis document is publicly available in ADAMS, and 3) update Division of Spent Fuel Management Office Instruction No. SFST-7, Revision 4, "Part 71 Guidance," to include a discussion of the expiration term and its basis.

Target Completion Date: July 2019

OIG Analysis: The proposed actions meet the intent of the recommendation. OIG will close the recommendation after verifying NRC has completed the activities associated with documenting and communicating the analysis results as noted in the agency's response dated April 29, 2019.

Status: Open: Resolved.

Audit Report

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(OIG-17-A-21)

Status of Recommendations

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| <u>Recommendation 3:</u> | Establish sufficient internal controls by updating NRC guidance related to Part 72.48 review procedures. |
| Agency Response Dated April 29, 2019: | The staff has completed this recommendation. The guidance was issued on October 2, 2018. Division Instruction No. LIC – 18, Revision No. 2, “10 CFR Part 72 and Spent Fuel Storage Guidance,” became effective on October 17, 2018. The staff recommends that this action be closed. |
| OIG Analysis: | OIG has verified NRC has issued Division Instruction No. LIC-18, which provides updated guidance related to Part 72.48 review procedures. This action meets the intent of this recommendation. Therefore, this recommendation is now considered closed. |
| Status: | Closed. |