

November 16, 2005

MEMORANDUM FOR: Stephen D. Dingbaum
Assistant Inspector General for Audits
Office of the Inspector General

FROM: Martin J. Virgilio */RA/*
Deputy Executive Director for Materials, Research,
State and Compliance Programs
Office of the Executive Director for Operations

SUBJECT: OFFICE OF THE INSPECTOR GENERAL'S AUDIT OF THE
NUCLEAR REGULATORY COMMISSION'S DECOMMISSIONING
PROGRAM (OIG-05-A-17)

This responds to each of the recommendations in the Office of the Inspector General's audit report of the U.S. Nuclear Regulatory Commission's (NRC's) Decommissioning Program, transmitted by memorandum dated September 21, 2005. Although the staff's responses to recommendations 2, 3, and 4 state that the work concerning coordination and measurement of efficiencies has been completed, the staff is continually evaluating ways to improve these areas. Some future near-term activities are noted in our responses.

Recommendation 1

Clarify and disseminate expectations for generating and maintaining supporting documentation for performance data to staff responsible for preparing and collecting performance data.

Response

Agree. The OCFO is developing a draft revised Management Directive 4.7, "Planning, Budgeting, and Performance Management (PBPM)," clarifying the roles and responsibilities of the CFO, EDO, and the Program Review Committee in the PBPM process. The revised MD 4.7 will provide guidance on performance measurement, including clarification of the expectations for generating and maintaining supporting documentation for performance data. The final MD is expected to be published in FY 2006.

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Recommendation 2

Bring closure to the following outstanding *Program Evaluation* recommendation—"Establish a baseline for decommissioning costs for specific sites and explore the feasibility of a method to measure efficiency and cost effectiveness."

Response

Agree. Consistent with the planned completion date noted in the September 13, 2005, memorandum from L.A. Reyes to S. Dingbaum, the staff completed its work, in September 2005, to establish a baseline for decommissioning costs and to explore the feasibility of a method to measure efficiency that had been identified in the Decommissioning Program Evaluation and the Integrated Decommissioning Improvement Plan (IDIP). This work is described, along with other decommissioning improvements, in a report entitled, "Decommissioning Program Continuous Improvement Report for FY 2004-2005," which was completed on October 31, 2005. There is one new related follow-up task for fiscal year (FY) 2006 that was identified after development of the IDIP. This work consists of analyzing the FY 2005 resource expenditure data, when they become available, and comparing them to the FY 2003 and FY 2004 data, to further evaluate the resource and time data for measuring efficiency gain. Completion date for the analysis of FY 2005 expenditure data: December 2005.

Recommendation 3

Bring closure to the following outstanding *Program Evaluation* recommendation—"Coordinate and review information from Headquarters and Regions for existing decommissioning sites to monitor progress, consistency, and efficiency of resolving common policy and technical issues."

Response

Agree. Consistent with the planned completion date noted in the September 13, 2005, memorandum from L.A. Reyes to S. Dingbaum, the staff completed its work for this improvement by September 2005, and described the improvements, along with other decommissioning improvements, in the "Decommissioning Program Continuous Improvement Report for FY 2004-2005."

Recommendation 4

Bring closure to the following outstanding *Program Evaluation* recommendation—"Coordinate and review information with currently operating licensed sites to identify and resolve conditions or events that could complicate future decommissioning."

Response

Agree. Consistent with the planned completion date noted in the September 13, 2005, memorandum from L.A. Reyes to S. Dingbaum, the staff completed its work for this improvement by September 2005, and described the improvements, along with other decommissioning improvements, in the "Decommissioning Program Continuous Improvement

Report for FY 2004-2005.” As planned, there are related follow-up actions in this area that will require coordination with other NRC organizations based on the results of the study of operating sites with a high potential for subsurface contamination, completed in FY 2005, and the rulemaking to prevent future legacy sites, planned for FY 2006-2007.

cc: Chairman Diaz
Commissioner McGaffigan
Commissioner Merrifield
Commissioner Jaczko
Commissioner Lyons

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cc: Chairman Diaz
 Commissioner McGaffigan
 Commissioner Merrifield
 Commissioner Jaczko
 Commissioner Lyons

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