

September 7, 2005

MEMORANDUM TO: Luis A. Reyes
Executive Director for Operations

FROM: Stephen D. Dingbaum/**RA**/
Assistant Inspector General for Audits

SUBJECT: OIG STATUS AND ANALYSIS OF
RECOMMENDATIONS FOR AUDIT REPORT:
AUDIT OF NRC'S INCIDENT RESPONSE
PROGRAM (04-A-20)

REFERENCE: DIRECTOR, OFFICE OF NUCLEAR SECURITY AND
INCIDENT RESPONSE, MEMORANDUM DATED
JULY 1, 2005

Attached is the Office of the Inspector General's analysis of NRC's July 1, 2005 Status of Recommendations memorandum. Based on this update, recommendations 5, 9 and 10 are closed and all other recommendations (1, 2, 3, 4, 6, 7, 8, 11, 12, 13, 14, 15, 16 and 17) remain resolved.

While the agency's updated status shows progress in meeting the intent of OIG's recommendations, NRC has delayed completion on twelve of the seventeen recommendations and additional actions are needed to close the remaining recommendations. OIG notes that the agency's completion dates were delayed, in some cases up to three years, due to work prioritization and because resources are not available. Therefore, please provide an updated status of recommendations to OIG by January 31, 2006.

If you have any questions or concerns, please call me at 415-5915.

Attachment: As stated

cc: William Dean, OEDO
Melinda Malloy, OEDO
Patricia Tressler, OEDO

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Status of Recommendations

Recommendation 1: Establish a defined agency-wide incident response plan that includes standards for performance, delineation of the conduct of exercises and drills, and a well-defined objective mechanism for evaluating incident response during exercises.

Agency Response
Dated July 1, 2005:

June 2005 Status:

NSIR completed the revision to Management Directive (MD) and Handbook 8.2 (NRC Incident Response Program). The document is currently in the final stages of the MD concurrence and approval process and is expected to be finalized by July 31, 2005.

The revised NUREG-0728 (NRC IRP) was implemented on April 14, 2005. This document is posted on the NRC's external website (<http://www.nrc.gov/what-we-do/emerg-preparedness/respond-to-emerg/incident-response.pdf>). Note that the IRP is an interim version pending final publication of the NUREG.

The implementing procedures and other supporting documents that are linked to the NRC IRP will be incorporated into the new Incident Response Manual. Some new procedures have been completed, with others prioritized for completion over the next several years. The completion date for all the manual chapters is September 30, 2008. This is a delay from the original NRC commitment because the resources required to complete the initiatives by the original dates are not available.

OIG Analysis:

The above statements reflect that the agency continues to work towards meeting the intent of this recommendation. In the OIG December 2, 2004, *Status of Recommendations*, OIG stated three conditions that must be satisfied to close this recommendation. The agency has made significant progress towards satisfying condition 1, has satisfied

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Status of Recommendations

condition 2, but has delayed completion on the third condition.

Condition 1: OIG receives and evaluates the revised Management Directive and Handbook 8.2

While NRC has slipped on the original completion date (07/31/2005) for revising MD 8.2 and Handbook, the above statements reflect that the agency continues to work towards satisfying this condition. Agency officials informed OIG that the staff asked management to extend the completion date to September 30, 2005. OIG will consider this condition satisfied when the agency finalizes the revised MD 8.2 and Handbook.

Condition 2: OIG receives and evaluates the revised NRC Incident Response Plan that references supporting documents.

NRC has satisfied this condition. The interim NUREG 0728, Revision 4, (Incident Response Plan) posted to the internet and effective April 14, 2005 references supporting documents.

Condition 3: OIG receives and evaluates supporting documents that are linked to the NRC Incident Response Plan and include standards for performance, delineation of the conduct of exercises and drills, and a well-defined objective mechanism for evaluating incident response during exercises.

Progress towards satisfying the third condition has been significantly delayed because resources are not available to perform the work. While NRC completed some new procedures, they plan to complete other procedures over a three-year period. Specifically, NRC has delayed the completion date for this work from 11/30/2005 until 09/30/2008. This condition will be satisfied when NRC completes this work.

OIG will close this recommendation when the remaining condition is satisfied.

Status:

Resolved.

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Status of Recommendations

Recommendation 2: Revise MD 8.2, *NRC Incident Response Program Handbook* to require an evaluation of incident response performance following each exercise.

Agency Response
Dated July 1, 2005:

June 2005 Status:
The revision to MD and Handbook 8.2, *NRC Incident Response Program* will require an evaluation of incident response performance following each exercise. The document is currently in the final stages of the MD concurrence and approval process and is expected to be finalized by July 31, 2005.

OIG Analysis:

While NRC has slipped on the original date (07/31/2005) to complete the revisions to MD 8.2 and Handbook, the above statements reflect that the agency continues to work towards meeting the intent of this recommendation. Agency officials informed OIG that the staff asked management to extend the completion date to September 30, 2005. When the agency finalizes the revised MD 8.2 and Handbook, OIG will close this recommendation.

Status: Resolved.

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Status of Recommendations

Recommendation 3: Update NUREG-0845, *Agency Procedures for the NRC Incident Response Plan*, or incorporate relevant portions into other agency procedures.

Agency Response
Dated July 1, 2005:

June 2005 Status:
NUREG-0845, *Agency Procedures for the NRC Incident Response Plan* has been superseded by NUREG-0728, Revision 4 (Incident Response Plan), issued for interim use effective April 14, 2005. The relevant portions of NUREG 0845 had already been incorporated in NUREG-0728 and its implementing procedures. Revised implementing procedures using a standardized format will be part of the new Incident Response Manual. The completion date for the entire manual is September 30, 2008.

OIG Analysis:

The above statements reflect that the agency continues to work towards meeting the intent of this recommendation. In the OIG December 2, 2004 *Status of Recommendations*, OIG stated that "This recommendation will be closed when OIG receives and evaluates an updated NUREG-0845 or when relevant portions are incorporated into other agency incident response procedures.

NRC has stated that NUREG-0845 has been superseded by NUREG-0728, Revision 4 (Incident Response Plan), and that relevant portions of NUREG 0845 had already been incorporated in NUREG-0728 and its implementing procedures.

However, while NUREG-0728, Revision 4 provides a topical listing of implementing procedures, the various procedural documents are maintained individually and separate from NUREG-0728, Revision 4. NRC plans to revise them to become part of the new Incident Response Manual scheduled for completion September 30, 2008.

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OIG will close this recommendation when implementing procedures become part of the new Incident Response Manual.

Status: Resolved.

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Status of Recommendations

Recommendation 4: Periodically review regional incident response programs to ensure NRC's Incident Response Program is carried out consistently across the agency.

Agency Response
Dated July 1, 2005:

June 2005 Status:

A plan and implementation schedule to review regional response plan activities for consistencies has been completed and was previously provided as an attachment in the April 3, 2005 status report to the OIG (ML050830289). The periodic reviews will begin in fiscal year 2007. The initial reviews will determine the adequacy of the staff's implementation of existing manual chapters; subsequent reviews will be performed in accordance with the manual chapter on incident response self-assessment following the completion of the NRC Incident Response Manual.

OIG Analysis: The above statements reflect that the agency continues to work towards meeting the intent of this recommendation. OIG will close this recommendation when NRC completes the initial regional reviews.

Status: Resolved.

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Status of Recommendations

Recommendation 5: Establish a well-defined process for giving performance feedback to responders.

Agency Response
Dated July 1, 2005:

June 2005 Status:
Staff action on this recommendation is complete on schedule. Incident Response Manual Chapter 0210, "Incident Response Self Assessment Program" contains this guidance.

Note: Response included an attachment (Attachment 4) containing this guidance.

OIG Analysis:

The above statements reflect that the agency has met the intent of this recommendation. OIG's December 2, 2004, *Status of Recommendations* stated that "This recommendation will be closed when OIG receives and evaluates the documented process for providing feedback to NRC response staff and the process has been implemented." NRC provided a documented process for providing feedback to response staff in Attachment 4. Therefore, this recommendation is closed.

Status: Closed.

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Status of Recommendations

Recommendation 6: Exercise the deployment of headquarters and regional response staff as part of the agency's Incident Response Program.

Agency Response
Dated July 1, 2005:

June 2005 Status:

Guidance to periodically exercise the deployment of headquarters and regional response staff will be included in the Incident Response Manual. The completion date for the manual chapter containing this guidance is June 30, 2006. This is a delay from the original NRC commitment because of resource limitations and revising higher priority documents first.

OIG Analysis:

The above statements reflect that the agency continues to work towards meeting the intent of this recommendation. However, NRC has delayed completion of actions necessary to close this recommendation because resources are not available. Specifically, NRC has delayed completion of the manual chapter from August 31, 2005 until June 30, 2006. OIG will close this recommendation when NRC completes plans to periodically exercise these areas and introduces this concept into incident response exercises.

Status: Resolved.

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Status of Recommendations

Recommendation 7: Develop team- and position-specific strategies and procedures for handling events at multiple sites.

Agency Response
Dated July 1, 2005:

June 2005 Status:

Staff has begun the development of team- and position-specific strategies and procedures for handling events at multiple sites. Staff will conduct a pilot table-top exercise involving multiple sites during procedure development.

This guidance will be included in the Incident Response Manual. The completion date for the manual chapter containing this guidance is June 30, 2006. This is a delay from the original NRC commitment date of November 30, 2005, because of resource limitations.

OIG Analysis:

The above statements reflect that the agency continues to work towards meeting the intent of this recommendation. However, NRC has delayed completion of actions necessary to close this recommendation because resources are not available. Specifically, NRC has delayed completion of the manual chapter from November 30, 2005 until June 30, 2006. OIG will close this recommendation when NRC completes revisions to team- and position-specific procedures that reflect strategies and procedure for handling multiple events.

Status: Resolved.

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Status of Recommendations

Recommendation 8: Periodically conduct incident response exercises involving multiple sites.

Agency Response
Dated July 1, 2005:

June 2005 Status:

Guidance to periodically conduct incident response exercises involving multiple sites will be completed by June 30, 2006. Staff will conduct a multiple site tabletop exercise in FY06 and a multiple site standard exercise in FY07. This is a delay from the original NRC commitment date of September 30, 2005, because of prioritization of the improvement initiatives.

OIG Analysis:

The above statements reflect that the agency continues to work towards meeting the intent of this recommendation. However, NRC has delayed completion of actions necessary to close this recommendation because of the prioritization of improvement initiatives. Specifically, NRC has delayed completion of the guidance to periodically conduct incident response exercises involving multiple sites from September 30, 2005 until June 30, 2006. OIG will close this recommendation when NRC reports on the results of pilot efforts referenced in the agency's November 3, 2004 and implements exercises involving multiple sites.

Status: Resolved.

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Status of Recommendations

Recommendation 9: Incorporate procedures for handling protracted events into incident response procedures.

Agency Response
Dated July 1, 2005:

June 2005 Status:

Staff action on this recommendation has been completed ahead of the original scheduled completion date. Incident Response Manual Chapter 0610, "Protracted Event Response Team Maintenance" contains this guidance. See Attachment 3.

OIG Analysis:

Procedures for handling protracted events was included as Attachment 3 in the agency's response. OIG has reviewed those procedures and determined that the agency has met the intent of this recommendation. These actions were completed ahead of the scheduled date of November 30, 2005.

Status:

Closed.

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Recommendation 10: Develop a more systematic approach to scheduling staff to cover a response to a protracted event.

Agency Response
Dated July 1, 2005:

June 2005 Status:
Staff action on this recommendation has been completed. Incident Response Manual Chapter 0610, "Protracted Event Response Team Maintenance" contains this guidance. See Attachment 3.

OIG Analysis: Procedures for handling protracted events was included as Attachment 3 in the agency's response. OIG has reviewed those procedures and determined that the agency has met the intent of this recommendation

Status: Closed.

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Recommendation 11: Revise the *NRC Incident Response Plan* to better define the incident response to emergencies involving regulated fuel cycle facilities and nuclear materials.

Agency Response
Dated July 1, 2005:

June 2005 Status:

In lieu of revising NUREG-0728 to include improved guidance for incident response to emergencies involving fuel facilities, NRC will provide this improved guidance in the Incident Response Manual. The completion date for the manual chapter(s) containing this guidance is September 30, 2008. This is a delay from the original NRC commitment date of February 28, 2005, because of resource limitations and revising higher priority procedures first.

OIG Analysis:

The above statements reflect that the agency continues to work towards meeting the intent of this recommendation. However, NRC has delayed completion of actions necessary to close this recommendation because of resource limitations. Specifically, NRC has delayed completion of the improved guidance for responding to incidents involving fuel cycle facilities and nuclear materials from February 28, 2005 until September 30, 2008. OIG will close this recommendation when NRC completes the manual chapter that includes this improved guidance.

Status: Resolved.

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Recommendation 12: Conduct routine exercises with each NRC-regulated fuel cycle facility.

Agency Response
Dated July 1, 2005:

June 2005 Status:
Staff action on this recommendation is on schedule for completion by October 31, 2005.

OIG Analysis:

The above statements reflect that the agency continues to work towards meeting the intent of this recommendation. OIG will close this recommendation when NRC establishes a routine program for exercising with each fuel facility required to have emergency plans.

Status:

Resolved.

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Status of Recommendations

Recommendation 13: Update Response Technical Manual Supplements for gaseous diffusion plants.

Agency Response
Dated July 1, 2005:

June 2005 Status:

Updating the RTM Supplements for gaseous diffusion plants is warranted. The completion date for the RTM update is scheduled for November 15, 2007. This is a delay from the original NRC commitment date of November 30, 2005, because of resource limitations and prioritization of the improvement initiatives.

OIG Analysis:

The above statements reflect that the agency continues to work towards meeting the intent of this recommendation. However, NRC has delayed completion of actions necessary to close this recommendation because of resources limitations and prioritization of the improvement initiatives. Specifically, NRC has delayed the completion date for revising the RTM supplement from November 30, 2005 until November 15, 2007. OIG will close this recommendation when NRC completes the updated RTM supplements.

Status: Resolved.

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Status of Recommendations

Recommendation 14: Improve and expand outreach for licensees to enhance licensees' understanding of NRC's Incident Response Program.

Agency Response
Dated July 1, 2005:

June 2005 Status:
Staff action on this recommendation is on schedule for completion by January 31, 2006.

OIG Analysis:

The above statements reflect that the agency continues to work towards meeting the intent of this recommendation. This recommendation remains resolved.

Status:

Resolved.

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Recommendation 15: Establish and implement an agency-wide policy for the minimum frequency for exercising with each NRC-licensed power reactor.

Agency Response
Dated July 1, 2005:

June 2005 Status:

The agency-wide policy will be established in a chapter in the Incident Response Manual. Staff action on this recommendation is on target for completion by October 31, 2005.

OIG Analysis:

The above statements reflect that the agency continues to work towards meeting the intent of this recommendation. OIG will close this when NRC incorporates an agency-wide policy for the minimum frequency for exercising with each NRC-licensed power reactor into the Incident Response Manual.

Status:

Resolved.

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Status of Recommendations

Recommendation 16: Develop and implement a well-defined, agency-wide training program to meet incident response commitments.

Agency Response
Dated July 1, 2005:

June 2005 Status:

The completion date for this recommendation is September 30, 2008. This is a change from the original NRC commitment date of January 31, 2006, because of work on higher priority improvement initiatives.

OIG Analysis:

In the December 2, 2004 *Status of Recommendations*, OIG stated three conditions must be satisfied to close this recommendation. They are:

Condition 1: Complete the systematic evaluation of the agency's response staff training and qualifications;

Condition 2: Develop and promulgate well defined, agency-wide training and qualifications program; and

Condition 3: Implement the revised training and qualification programs.

The agency's status report does not reflect progress towards satisfying the three conditions. NRC has delayed completion of actions necessary to close this recommendation because resources are not available. Specifically, NRC has delayed completion for developing and implementing a well-defined, agency-wide training program by two years (i.e., from January 31, 2006 until September 30, 2008). OIG will close this recommendation when NRC satisfies the three conditions stated in the OIG December 2, 2004, *Status of Recommendations* memorandum.

Status: Resolved.

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Status of Recommendations

Recommendation 17: Establish a centralized system for tracking successful completion of training activities by individual and position.

Agency Response
Dated July 1, 2005:

June 2005 Status:

The completion date for this recommendation is November 15, 2007. This is a delay from the original NRC commitment date of June 30, 2006, because of work on higher priority improvement initiatives.

OIG Analysis:

In the December 2, 2004 *Status of Recommendations* memorandum, OIG stated that this recommendation will be closed when NRC has integrated tracking for incident response training into the new agency-wide Learning Management System (LMS). The above statements do not reflect that the agency has made progress to complete these actions. NRC has delayed completion of actions necessary to close this recommendation because of work on higher priority improvement initiatives. Specifically, NRC has delayed integrating tracking for incident response training into the LMS from June 30, 2006 until November 17, 2007. Therefore, this recommendation remains resolved.

Status: Resolved.