



UNITED STATES
NUCLEAR REGULATORY COMMISSION
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**OFFICE OF THE
INSPECTOR GENERAL**

January 26, 2012

MEMORANDUM TO: R. William Borchardt
Executive Director for Operations

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

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF NRC'S
OVERSIGHT OF MASTER MATERIALS LICENSEES
(OIG-11-A-14)

REFERENCE: DIRECTOR, OFFICE OF FEDERAL AND STATE
MATERIALS AND ENVIRONMENTAL MANAGEMENT
PROGRAMS, MEMORANDUM DATED DECEMBER 23,
2011

Attached is the Office of the Inspector General's analysis and status of recommendations 1, 2, 3, 4, and 5. Based on this update, recommendations 1, 2, 3, 4, and 5 remain resolved. Please provide an updated status of the resolved recommendations by September 17, 2012.

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

Attachment: As stated

cc: N. Mamish, OEDO
K. Brock, OEDO
J. Arildsen, OEDO
C. Jaegers, OEDO

Audit Report

AUDIT OF NRC'S OVERSIGHT OF MASTER MATERIALS LICENSEES

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Status of Recommendations

Recommendation 1: Define regional and headquarters MML project managers' roles in responding to requests for guidance and assistance from MML licensee staff.

Agency Response Dated December 23, 2011: Headquarters and regional staff are working to develop descriptions of the integrated roles and responsibilities for regional and headquarters MML project managers, including expectations for processing requests for guidance and assistance from MML licensee staff. The staff also plans to incorporate discussion of these roles and responsibilities, as well as the process for requesting guidance and assistance, in the ongoing revision to NUREG 1556 Volume 10, "Consolidated Guidance About Materials Licensees: Program-Specific Guidance About Master Materials Licenses." This activity remains on schedule for completion by August 31, 2012.

OIG Analysis: The agency's proposed actions meet the intent of the recommendation. This recommendation will be closed when OIG reviews the revisions to NUREG 1556, Volume 10, and determines that they include clear guidance for NRC regional and headquarters MML project managers' roles in responding to requests for guidance and assistance from MML licensee staff.

Status: Resolved.

Audit Report

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Status of Recommendations

Recommendation 2: Develop and implement a consistent and timely process for notifying MML licensee staff of NRC-hosted training courses.

Agency Response Dated December 23, 2011: Staff from the Office of Federal and State Materials and Environmental Management Programs, Division of Materials Safety and State Agreements is working with the Office of Human Resources' Human Resources Training and Development staff to develop a service level agreement regarding training for MML licensees. The agreement is envisioned to include plans for communication of course offerings, the enrollment process and distribution of available course slots, and documentation of course completion. This activity remains on schedule for completion by August 31, 2012.

OIG Analysis: The agency's proposed actions meet the intent of the recommendation. This recommendation will be closed when OIG reviews the service level agreement and determines that it includes a consistent and timely process to notify MML licensee staff of NRC-hosted training courses.

Status: Resolved.

Audit Report

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Status of Recommendations

Recommendation 3: Develop and implement a consistent process for registering MML licensee staff for NRC-hosted training courses.

Agency Response Dated
December 23, 2011: Please refer to the status of recommendation 2, as these recommendations are being addressed in an integrated manner.

OIG Analysis: The agency's proposed actions meet the intent of the recommendation. This recommendation will be closed when OIG reviews the service level agreement and determines that it includes a consistent process for registering MML licensee staff for NRC-hosted training courses.

Status: Resolved.

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Status of Recommendations

Recommendation 4: Modify guidance to include a risk-informed methodology with requirements on sample size, selection criteria, and inspection frequency for selecting MML permittees for NRC independent inspection.

Agency Response Dated
December 23, 2011:

A Working Group has been established to revise Inspection Manual Chapter (IMC) 2810, and plans to incorporate risk-informed criteria in the methodology used to select MML permittees for inspection. Additional considerations for selection permittees for inspection will include the primary program codes, escalated enforcement history, significant program changes (expanding the scope of activities conducted under the permit), and implementation of new NRC initiatives (e.g., Increased Controls for enhanced security). This activity remains on schedule for completion by August 31, 2012.

OIG Analysis:

The agency's proposed action meets the intent of the recommendation. This recommendation will be closed when OIG reviews the changes to IMC 2810 and determines it includes a risk-informed methodology for selecting MML permittees for NRC independent inspection.

Status:

Resolved.

Audit Report

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Status of Recommendations

<u>Recommendation 5:</u>	Clearly define all MML licensee staff and master radiation safety committee regulatory oversight responsibilities (e.g., requirements and roles and accountabilities) in NRC regulations, the MMLs, the LOUs, or some combination thereof.
Agency Response Dated December 23, 2011:	<p>On November 28, 2011, a kick-off meeting for revising NUREG-1556, Volume 10 was conducted with the working group comprised of representatives from headquarters and all three regional offices with MML licensees. The staff plans to include a comprehensive discussion of roles and responsibilities for the MMLs (staff and Radiation Safety Committee) and also include it in the discussion of the NRC's role.</p> <p>Additionally, the revision will capture the MML oversight roles and responsibilities in the license (as part of the tie-down documents) and then further refine the roles of the NRC and the MML in the LOU's. This activity remains on schedule for completion by August 31, 2013.</p>
OIG Analysis:	The agency's proposed action meets the intent of the recommendation. This recommendation will be closed when OIG reviews the changes to NUREG-1556, Volume 10, and the MML tie-down documents and determines they clearly define all MML licensee staff and master radiation safety committee regulatory oversight responsibilities.
Status:	Resolved.