

February 22, 2013

MEMORANDUM TO: Brian J. McDermott, Director
Division of Materials Safety and State Agreements
Office of Federal and State Materials
and Environmental Management Programs

FROM: Margie Kotzalas, Chief **R/A**
Licensing Branch
Division of Materials Safety and State Agreements
Office of Federal and State Materials
and Environmental Management Programs

SUBJECT: IMPLEMENTATION OF RECOMMENDATION 1 OF THE OFFICE
OF THE INSPECTOR GENERAL'S AUDIT OF ISSUANCE OF
GENERAL LICENSES (OIG12-A-14)

This memorandum describes the staff's approach for implementing Recommendation 1 of the Office of the Inspector General (OIG) Audit of U.S. Nuclear Regulatory Commission's (NRC's) Issuance of General Licenses, OIG-12-A-14. In Recommendation 1, OIG stated that the NRC staff should "[c]ontact current general licensees with general licensed devices containing IAEA Code of Conduct Category 1, 2, or 3 sources, within 180 days, to encourage the general licensee to transfer the device(s) to a specific license(s)."

To implement this recommendation, the staff identified the 13 general licensees (GL) with generally licensed devices (GLDs) in their possession that contain IAEA Category 1, 2, or 3 sources of byproduct materials. These licensees are tabulated in Attachment 1. Following the script in Attachment 2, the staff contacted these GLs by phone and discussed options for converting their GLDs to an existing specific license or, if appropriate, encouraged them to obtain a new specific license. Documentation of the phone conversations are contained in Attachment 3.

Only one GL, I/N KOTE & I/N TEK, stated that they were willing to transfer the GLDs in their possession to their existing specific license. Nine GLs stated that they were not willing to consider transferring the GLDs to a specific license.

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The staff also learned the following information about the remaining three GLs:

- Michigan Steel Industries is in the process of replacing their GLD with a mechanical device and is not interested in transferring the GLD to a specific license.
- The source activity values for the GLDs held by OCI Wyoming LP were incorrect in the General License Tracking System (GLTS) database and as a result, the GL has no devices containing IAEA Category 1, 2, or 3 sources. The GLTS database has been corrected.
- The source activity value for the GLD held by Detroit Steel Company was incorrect in the GLTS database and as a result, the GL has no device containing IAEA Category 1, 2, or 3 sources. The GLTS database has been corrected.

Enclosures:

1. List of General Licensees
2. Telephone Script
3. Documentation of Conversations

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