

August 22, 2014

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

FROM: Brian E. Holian, Acting Director **/RA Raymond Lorson for/**
Office of Federal and State Materials
and Environmental Management Programs

SUBJECT: AUDIT OF THE U.S. NUCLEAR REGULATORY COMMISSION'S
ISSUANCE OF GENERAL LICENSES (OIG-12-A-14)

The purpose of this memorandum is to provide an update on the status of the agency's actions in response to the recommendations contained in the Office of the Inspector General's (OIG) audit of the U.S. Nuclear Regulatory Commission's (NRC) Issuance of General Licenses (OIG-12-A-14). This status report highlights the staff's actions. The following updates are provided for each recommendation:

Recommendation 1

Contact current general licensees with general licensed devices containing International Atomic Energy Agency (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).

Status

Per the March 18, 2013, memo from Stephen D. Dingbaum, this recommendation is closed (Agencywide Document and Management System Accession (ADAMS) No. ML13077A024).

Recommendation 2

Visit all general licensees currently in possession of general licensed devices containing IAEA Category 1, 2, or 3 sources within 2 years. Focus such visits on:

- Reviewing records of leak testing and proper operations of open-close mechanisms and indicators.
- Device use, installations, maintenance and repair to determine that the devices are being used within authorized parameters.

CONTACT: Hector Rodriguez, FSME/MSSA
(301) 415-6004

Status

There are currently no general licensees with generally licensed devices (GLDs) in their possession that contain IAEA Category 1 or 2 sources of byproduct material. There are a total of 11 general licensees in possession with GLDs with Category 3 sources. The regional offices visited and inspected these general licensees. The inspections were performed between April and July 2014 (ADAMS Accession Nos. ML14150A189, ML14178B332, ML14126A826, ML14135A212, ML14140A176, ML14121A235, ML14122A267, ML14134A048, ML14195A303, ML14210A290, and ML14210A351). The inspections typically found that the devices were properly secured, installed, operated and maintained. In addition, the general licensees maintained adequate records of leak tests, shutter tests, and calibrations. However, some Severity Level IV violations were identified involving the failure to do leak tests, and one example of a failure to lock a shutter. All licensees provided appropriate corrective actions for these issues. The staff considers this action to be completed.

Recommendation 3

Monitor agency records for 2 years to identify new general licensees entering the marketplace and visit those in possession of IAEA Category 1, 2, or 3 general licensed devices to ensure that devices are properly installed and that general licensees have adequate understanding of the relevant regulations and their responsibilities.

Status

The staff implemented a procedure to monitor the General License Tracking System (GLTS) on a quarterly basis to identify new general licensees entering the marketplace with general licensed devices containing IAEA Category 1, 2, or 3 sources. Over the past two years only one new general licensee entered the market place with a device containing a Category 3 source. The licensee possessing this new device was included in the inspections discussed under recommendation 2 (ADAMS Accession No. ML14122A267). The staff considers this action to be completed.

Recommendation 4

Analyze information retrieved from Recommendations 1, 2, and 3 and take additional regulatory action, if needed, within 6 months after completion of data collection.

Status

The staff analyzed the information gathered from completion of Recommendation 1, 2 and 3, and determined that no additional regulatory action is needed. The staff considers this action to be completed.

Status

There are currently no general licensees with generally licensed devices (GLDs) in their possession that contain IAEA Category 1 or 2 sources of byproduct material. There are a total of 11 general licensees in possession with GLDs with Category 3 sources. The regional offices visited and inspected these general licensees. The inspections were performed between April and July 2014 (ADAMS Accession Nos. ML14150A189, ML14178B332, ML14126A826, ML14135A212, ML14140A176, ML14121A235, ML14122A267, ML14134A048, ML14195A303, ML14210A290, and ML14210A351). The inspections typically found that the devices were properly secured, installed, operated and maintained. In addition, the general licensees maintained adequate records of leak tests, shutter tests, and calibrations. However, some Severity Level IV violations were identified involving the failure to do leak tests, and one example of a failure to lock a shutter. All licensees provided appropriate corrective actions for these issues. The staff considers this action to be completed.

Recommendation 3

Monitor agency records for 2 years to identify new general licensees entering the marketplace and visit those in possession of IAEA Category 1, 2, or 3 general licensed devices to ensure that devices are properly installed and that general licensees have adequate understanding of the relevant regulations and their responsibilities.

Status

The staff implemented a procedure to monitor the General License Tracking System (GLTS) on a quarterly basis to identify new general licensees entering the marketplace with general licensed devices containing IAEA Category 1, 2, or 3 sources. Over the past two years only one new general licensee entered the market place with a device containing a Category 3 source. The licensee possessing this new device was included in the inspections discussed under recommendation 2 (ADAMS Accession No. ML14122A267). The staff considers this action to be completed.

Recommendation 4

Analyze information retrieved from Recommendations 1, 2, and 3 and take additional regulatory action, if needed, within 6 months after completion of data collection.

Status

The staff analyzed the information gathered from completion of Recommendation 1, 2 and 3, and determined that no additional regulatory action is needed. The staff considers this action to be completed.

DISTRIBUTION: G20130857

MSSA r/f RidsFsmeOd RidsEdoMailCenter FSME_TicketCloseout

ML13345A221

OFFICE	FSME/LB	FSME/LB	FSME/MSSA	TechEd	FSME
NAME	HRodriguez	MKotzalas	PHenderson for LADudes	CPoland	RLorson for BHolian
DATE	07/24/2014	08/01/2014	08/13/2014	08/15/2014	08/22/2014

OFFICIAL RECORD COPY