



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

February 21, 2018

MEMORANDUM TO: Dr. Brett M. Baker  
Assistant Inspector General for Audits  
Office of the Inspector General

FROM: Marc L. Dapas, Director **/RA/**  
Office of Nuclear Material Safety  
and Safeguards

SUBJECT: OVERSIGHT FOR ISSUING CERTIFICATES OF COMPLIANCE FOR  
RADIOACTIVE MATERIAL PACKAGES (OIG 17 A-21)

As requested in your October 2, 2017, memorandum, please find enclosed the updated status for recommendations 1 - 4 contained in the subject report.

Enclosure:  
Updated Status of Recommendations

CONTACTS: Torre Taylor, NMSS/DSFM  
301-415-7900

Raynard Wharton, NMSS/DSFM  
301-415-7497

# OVERSIGHT FOR ISSUING CERTIFICATES OF COMPLIANCE FOR RADIOACTIVE MATERIAL PACKAGES

OIG-17-A21

## Status of Recommendations

Recommendation 1: Conduct an analysis to develop the regulatory and technical bases for the Part 71 certificates of compliance term.

Agency Response Dated September 15, 2017. The staff agrees with the recommendation.

The staff, in consultation with the U.S. Department of Transportation (DOT), will conduct a technical and regulatory analysis to develop a basis for the duration of U.S. Nuclear Regulatory Commission (NRC) issued certificates of compliance for radioactive material packages. In developing the basis, staff will consider risk insights from existing studies performed on the transportation risk of spent fuel and solicit stakeholder input, including input from international counterparts. During the effort, staff will look for process efficiencies consistent with the agency's principles of good regulation. Staff will use the developed basis to establish an appropriate term for certificates of compliance for transportation packages.

**Target date for completion:** September 2018

Agency Response Dated February 15, 2018.

The staff drafted an action plan to address the recommendations in the audit report and began to coordinate with officials at DOT. The staff has initiated the task of gathering and reviewing historical documents related to the term for certificates of compliance along with key studies on transportation risk. These documents will support the staff's technical and regulatory basis. Further, the staff has kept public and industry stakeholders updated on these activities. The staff made a presentation at last year's Division of Spent Fuel Management's Regulatory Conference discussing the OIG's audit, findings, and the staff's efforts to address the findings. Next steps include further coordination with DOT and consultation with key international counterparts. This will be followed by drafting the regulatory and technical basis.

**Target date for completion:** September 2018

Contact: Torre Taylor, NMSS/DSFM  
301-415-7900

Recommendation 2: Document and communicate to stakeholders NRC's analysis results identifying the bases for an appropriate term for Part 71 certificates of compliance.

Enclosure

Agency Response Dated  
September 15, 2017.

The staff agrees with the recommendation.

Upon completion of the analysis for Recommendation No. 1 above, the NRC will document the results and communicate the results to stakeholders. Staff will update internal guidance documents, as appropriate. Also, staff will use communication tools such as, placement in Agencywide Documents Access and Management System (ADAMS) as publicly available, posting on the NRC public web site, and presentation at the Division of Spent Fuel Management's annual Regulatory Conference to communicate the results to external stakeholders.

**Target date for completion:** December 2018

Agency Response Dated  
February 15, 2018.

As discussed above with respect to Recommendation No. 1, the staff is conducting an analysis. Once that analysis is complete, the staff will document its findings and make those findings publicly available in ADAMS. Additionally, the staff will discuss the analysis and its results at the annual regulatory conference related to spent fuel, as well as updating internal guidance documents as appropriate, based on the analysis results.

**Target date for completion:** December 2018

Contact: Torre Taylor, NMSS/DSFM  
301-415-7900

**Recommendation 3:**

Establish sufficient internal controls by updating NRC guidance related to Part 72.48 review procedures.

Agency Response Dated  
September 15, 2017.

The staff agrees with the recommendation.

The staff is currently revising Division Instruction SFM-18, "Part 72 Guidance." This document provides Part 72 storage system guidance for Division of Spent Fuel Management project managers and technical reviewers. The procedure is being revised to reorganize and clarify the former guidance and to add new guidance. Included in the revision is a footnote that addresses the 72.48 Task Group Charter and the 72.48 Task Group Objectives. It also incorporates a Steering Committee at the Branch Chief level to provide guidance and direction to the 72.48 Task Group.

**Target date for completion:** January 2018

Agency Response Dated  
February 15, 2018.

The staff made major changes to Division Instruction (DI) SFM-18, "10 CFR Part 72 and Spent Fuel Storage Guidance," including the title. The staff added an Appendix C to the subject DI that includes guidance for the review of Certificate of Compliance

holder and licensee 72.48 biennial summaries. The staff deleted the footnote that referenced the 72.48 Task Group Charter (Charter) and the 72.48 Task Group Objectives (Objectives). The Steering Committee and Task Group will be sunset and existing division processes will provide for handling 72.48 biennial summaries and 72.48 evaluations. The completion date for this revision has been changed to reflect the completion of the revised Division Instruction.

**Revised Target date for completion:** March 2018

Contact: Raynard Wharton, NMSS/DSFM  
301-415-7497

Recommendation 4: Establish sufficient internal controls by developing and implementing training for Part 72.48 review process.

Agency Response Dated September 15, 2017. The staff agrees with the recommendation.

The staff recently updated a training module for the Title 10 of the *Code of Federal Regulations* (10 CFR) 72.48 review process. This training module was part of an instructor-led training course piloted for Part 72 inspectors in 2012. The staff will use the 10 CFR 72.48 training module from the Part 72 course to provide instructor-led training to applicable project managers, technical reviewers, and inspectors. This instructor-led training is scheduled for completion by the target date.

**Target date for completion:** May 2018

Agency Response Dated February 15, 2018.

The staff is currently updating the training module for the 10 CFR 72.48 review process to reflect the latest guidance described in Appendix C of Division Instruction SFM-18. This training module will be used as an instructor-led Division of Spent Fuel Management training course on the 10 CFR 72.48 process. The course will be applicable to project managers, technical reviewers, and inspectors.

**Target date for completion:** May 2018

Contact: Raynard Wharton, NMSS/DSFM  
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RADIOACTIVE MATERIAL PACKAGES (OIG 17 A-21), DOCUMENT  
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