



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

February 25, 2022

MEMORANDUM TO: Eric Rivera
Acting Assistant Inspector General
Office of the Inspector General

FROM: John W. Lubinski, Director
Office of Nuclear Material Safety
and Safeguards

A handwritten signature in black ink, appearing to be "J. Lubinski", is located to the right of the "FROM:" line.

Signed by Lubinski, John
on 02/25/22

SUBJECT: STATUS OF RECOMMENDATIONS: OFFICE OF THE
INSPECTOR GENERAL'S AUDIT OF THE U.S. NUCLEAR
REGULATORY COMMISSION'S OVERSIGHT OF THE
ADEQUACY OF DECOMMISSIONING TRUST FUNDS
(OIG-21-A-14)

Enclosed is the U.S. Nuclear Regulatory Commission's (NRC's) status of
Recommendations 1 – 4 from the Office of the Inspector General's (OIG) Audit of NRC's
Oversight of the Adequacy of Decommissioning Trust Funds (OIG-21-A-14), dated
August 19, 2021. If you have any questions regarding this document, please contact the
individual identified below.

Enclosure:
As stated

CONTACT: Shawn Harwell, NMSS/REFS
301-415-1309

E. RIVERA

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SUBJECT: STATUS OF RECOMMENDATIONS: OFFICE OF THE INSPECTOR
GENERAL'S AUDIT OF THE U.S. NUCLEAR REGULATORY
COMMISSION'S OVERSIGHT OF THE ADEQUACY OF DECOMMISSIONING
TRUST FUNDS (OIG-21-A-14). DATED: February 25, 2022

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NAME	SHarwell	FMiller	JTappert	P Menefee- Buzdygon	JLubinski
DATE	2/18/22	2/18/22	2/21/22	2/24/22	2/25/22

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**STATUS OF RECOMMENDATIONS:
OFFICE OF THE INSPECTOR GENERAL'S AUDIT OF
THE U.S. NUCLEAR REGULATORY COMMISSION'S OVERSIGHT OF THE ADEQUACY OF
DECOMMISSIONING TRUST FUNDS (OIG-21-A-14)**

Recommendation 1:

Improve process controls to ensure all annual reviews of decommissioning status reports are complete and have undergone the review process.

Response

The staff continues to improve the tracking of decommissioning status reports reviews under the actions for Recommendation 3. To further enhance the quality and consistency of status report review, the staff is revising its training program for Financial Assurance Branch (FAB) analysts, detailed in LIC-205, to emphasized roles, responsibilities, and review processes related to the Decommissioning Funding Status (DFS) review program for both operating reactors and reactors in decommissioning. In accordance with LIC-205, a qualified lead analyst will provide training annually to all analysts involved with the DFS report review. The first revised training is expected to occur in early April 2022, prior to the commencement of 2023 review cycle for reactors in decommissioning. The draft LIC-205 revision is currently in the review and concurrence process.

Estimated LIC-205 Publication Date: March 31, 2022

Point of Contact: Shawn Harwell, NMSS/REFS, 301-415-1309

Recommendation 2:

Update LIC-205 to clarify DFS report reviewer roles and responsibilities, procedures for closeout letters, and procedures for tracking DFS report analyses.

Response

The staff continues to address several process improvements with this LIC-205 update. As discussed in the response to Recommendation 1, the staff is updating LIC-205 to provide more detail on the roles and responsibilities of each position involved with the DFS review process and enhance the annual training program for FAB analysts involved with the review. Additionally, the staff has is adding detailed procedures for drafting and issuing closeout letters to licensees at the conclusion of the review cycle. Finally, the staff has is revising procedures for cataloging and tracking documentation related to individual licensees DFS report submittals and reviews for each DFS report review cycle in the FAB SharePoint site, as discussed in Recommendation 3. The draft LIC-205 revision is currently in the review and concurrence process.

Estimated LIC-205 Publication Date: March 31, 2022

Point of Contact: Shawn Harwell, NMSS/REFS, 301-415-1309

Enclosure

Recommendation 3:

Implement a central tracking mechanism to track the status of the annual DFS report analyses.

Response

To address Recommendation 3, the staff has enhanced its current DFS report review tracking capability on the FAB SharePoint site. Specifically, the staff has developed a page specific to the annual DFS review for reactors in decommissioning that includes fields, with Agencywide Documents Access and Management System links, as applicable, to track licensee initial and supporting documents, staff-generated documents, and review status for individual licensees for each DFS review cycle. The staff will ensure that access to the SharePoint page will be available to appropriate internal stakeholders, upon request. As discussed in Recommendation 2, the staff has is updating LIC-205 to make certain that the assigned analysts update SharePoint, as necessary, to ensure that the information is up to date.

SharePoint Development: Complete

Point of Contact: Shawn Harwell, NMSS/REFS, 301-415-1309

Recommendation 4:

Periodically assess, through communication with cognizant regulators or by other means, trustee compliance with the master trust fund agreements in accordance in accordance with investment restrictions in Title 10 *Code of Federal Regulations* 50.75.

Response

The staff continues to research which cognizant regulators the staff should engage to evaluate options for ensuring periodic assessment of trustee compliance with master trust fund restrictions as reflected in the regulations. The staff has had the opportunity to informally engage with a variety of other parties, mainly third-party firms that invest monies for the decommissioning trust funds, to gain insight on their processes as they relate to communicating with regulators and compliance with investment restrictions within master trust agreements. Once the staff has determined the most efficient and effective way to assess investment compliance, the staff will develop and implement appropriate protocols and procedures.

The staff will complete this action by July 31, 2023.

Point of Contact: Richard Turtill, NMSS