

October 31, 2012

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

FROM: Michael F. Weber */RA/*  
Deputy Executive Director for Materials, Waste,  
Research, State, Tribal, and Compliance Programs  
Office of the Executive Director for Operations

SUBJECT: AUDIT OF THE U. S. NUCLEAR REGULATORY  
COMMISSION'S 10 CFR PART 31 GENERAL LICENSING  
PROGRAM (OIG-12-A-21)

This memorandum responds to your September 26, 2012, memorandum transmitting the subject audit report. We appreciate the Office of the Inspector General's (OIG) audit of our 10 CFR Part 31 General License Program and OIG's recommendations for enhancement of certain activities within that program.

The OIG audit report makes two recommendations with regards to the U. S. Nuclear Regulatory Commission (NRC) staff providing information on applicable regulatory requirements for new and existing general licensees (GLs). The current regulations in 10 CFR Part 32 require that distributors provide essential information on applicable regulations to GLs prior to the sale of general licensed devices (GLDs). NRC inspectors also verify during inspection that distributors are providing the GLs the information required by the regulations. However, staff agrees that periodic additional communications with GLs regarding the applicable regulatory requirements may enhance the GLs awareness of the regulatory requirements. It is expected that this improved awareness will enhance the control and accountability of the GLDs.

CONTACT: Ujagar S. Bhachu, FSME/MSSA  
(301) 415-7694

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Enclosed, please find responses to the recommendations contained in the audit report. If you have any questions, please contact me or Brian McDermott at 301-415-3340.

Enclosure:

Response to OIG

Recommendations (OIG-12-A-21)

cc: Chairman Macfarlane  
Commissioner Svinicki  
Commissioner Apostolakis  
Commissioner Magwood  
Commissioner Ostendorff  
SECY

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## RESPONSE TO OIG RECOMMENDATIONS (OIG-12-A-21)

With regard to the specific recommendations in the final OIG report “Audit of NRC’s 10 CFR Part 31 General Licensing Program,” the responses in this enclosure apply only to the general licensees (GLs) that are located within the NRC jurisdiction and are authorized by the NRC pursuant to 10 CFR Part 31. We are forwarding this report to the Agreement States, who have jurisdiction over approximately 85 percent of the Materials Licensing Program, including GLs, for their disposition. In December 2010, the Commission changed the Agreement State compatibility requirements for 10 CFR 31.5 and 31.6 from “B” to “C,” and as a result, regulatory requirements for GLs and general licensed devices (GLDs) may differ from State to State and need not be identical with the NRC regulations.

The implementation of the action to provide additional information to recipients of new GLDs directly from the NRC and in addition to the information provided by the distributors, will be dependent on the availability of funds and subject to future re-evaluation for effectiveness.

### Recommendation 1

Develop and implement procedures for NRC to provide information clearly describing all applicable regulatory requirements each time an NRC general licensed device is distributed to an NRC general licensee.

### Response

Agree: Staff will develop and implement an internal office procedure for NRC to provide each new initial recipient of a GLD authorized under 10 CFR Part 31, who is also under NRC jurisdiction, with information that will clearly describe all applicable regulatory requirements.

Staff will initiate a General Licensing Tracking System (GLTS) query that will identify new initial recipients of GLDs containing radioactive materials listed in Table 1, 10 CFR Part 20, Appendix E. The newly developed query will be run quarterly in the GLTS and the identified GLs will be provided with information describing all applicable regulations.

For facilitating easy reference, staff will develop a list of applicable regulatory requirements for 10 CFR Part 31 GLs and include them in NUREG 1556, Volume 16, “Program-Specific Guidance About License Authorizing Distribution to General Licensees,” and place the list on the NRC web site.

Staff will complete this action by July 31, 2014.

Point of Contact: Ujagar Bhachu, FSME

Enclosure

## Recommendation 2

Develop and implement procedures for NRC to periodically reinform existing general licensees of applicable regulatory requirements.

## Response

Agree: Staff will develop and implement an internal office procedure for a systematic and cost effective periodic reminder to re-inform 10 CFR Part 31 GLs regarding their regulatory responsibilities. This procedure is expected to be phased in over a two year period.

Staff will complete this action by September 30, 2014.

Point of Contact: Ujagar S. Bhachu, FSME