SUMMARY OF NRC ACTIONS - RESPONSE TO GAO REPORTS

**The U.S. Government Accountability Office Report – Nuclear Regulation:
Nuclear Regulatory Commission's Oversight of Nuclear Power Reactors'
Decommissioning Funds Could Be Further Strengthened
May 2012
(GAO-12-258)**

The U.S. Government Accountability Office (GAO), in its report, "Nuclear Regulatory Commission's Oversight of Nuclear Power Reactors' Decommissioning Funds Could Be Further Strengthened," provided five recommendations to the U.S. Nuclear Regulatory Commission (NRC) regarding decommissioning funding oversight. The status of the actions taken by the NRC in response to the GAO recommendation that remained open as of the NRC's last report is provided below.

Recommendation 4:

Better ensure that licensees are providing reasonable assurance that they will have the necessary funds and improve the consistency of information the agency collects by continuing the reviews of fund balances in a way that is most-efficient and effective for the agency.

Status:

The NRC staff have developed revisions to the agency guidance document, "Procedures for NRC's Independent Analysis of Decommissioning Funding Assurance for Operating Nuclear Power Reactors" (LIC-205). The guidance now incorporates factors to be considered by the staff as a basis to perform as-needed spot-checks of licensee decommissioning fund balances. The revised guidance was released in April 2017.

The NRC considers this GAO recommendation closed.

The U.S. Government Accountability Office Report – Nuclear Power:
Analysis of Regional Differences and Improved Access to
Information Could Strengthen NRC Oversight
September 2013
(GAO-13-743)

The GAO, in its report: "Nuclear Power: Analysis of Regional Differences and Improved Access to Information Could Strengthen NRC Oversight," made three recommendations to the NRC. The status of actions taken by the NRC in response to the GAO recommendation that remained open as of NRC's last report are provided below.

Recommendation 3:

To help NRC staff more efficiently use past experiences in its oversight activities, direct agency officials to evaluate the challenges inspectors face in retrieving all relevant information on plant performance and previous oversight activities, and improve its systems accordingly to address these challenges.

Status:

Operating Experience Update:

In 2013, NRC staff gained access to the Institute of Nuclear Power Operations (INPO's) Consolidated Event System (ICES), a web-based equipment failure database managed by INPO and populated by commercial nuclear power plants. All NRC staff are able to use ICES to sort through failure data by equipment type, plant name, vendor information, or by using INPO's cause codes. In addition to web access to ICES, INPO also provides the ICES data tables to NRC staff on a quarterly basis. In 2017, NRC staff developed the Operating Experience Data Analysis Tool (ODAT), which uses INPO's data to create visual representations of industry equipment failures and events. This information is helpful to the staff in identifying broad trends in the failure data and potentially predict areas for increased inspection and/or operating experience focus. Staff has demonstrated ODAT to the regions at periodic counterpart meetings. In addition, staff has held several online training sessions to demonstrate the tool.

In 2013, NRC staff updated its internal website on operating experience to simplify access to information. This included the creation of custom searches for document types that pertain to operating and inspection experience. The staff has demonstrated this capability during regional counterpart meetings.

In 2013, NRC staff updated the publicly available table listing all inspection procedures and included links to any Operating Experience Smart Samples that apply to an inspection procedure.

In 2016-17, NRC staff moved its Reactor Operating Experience (ROE) module to a new web-based environment. Web-based ROE went "live" in late 2017 and staff continues to make adjustments to suit the needs of the Operating Experience Clearinghouse. Web-based ROE automates several functions of the clearinghouse, and will make it easier for users to link

directly from the database records to the source document information, such as licensee event reports and Title 10 of the *Code of Federal Regulations* (10 CFR) Part 21 Defect Reports.

Inspection Program Update:

The NRC staff revised its Reactor Oversight Program governance documents to put all end-of-cycle Plant Performance Summaries and agendas into the Agencywide Documents Access and Management System (ADAMS), as well as an internal website, so they are available for staff to review past licensee performance information and oversight activities. Staff also provided additional guidance in Inspection Manual Chapter (IMC) 0305, "Operating Reactor Assessment Program," for the NRC regional offices to ensure that operating experience is discussed during end-of-cycle assessment meetings. The NRC staff publishes periodic and annual summaries of significant operating experience that are reviewed by all the regional offices during the end-of-cycle summary meetings for applicability to individual plants to inform future inspection samples. Staff now documents issues discussed during those assessment meetings to ensure that the regions are discussing operating experience with all resident inspectors.

The NRC considers this GAO recommendation to be closed.

The U.S. Government Accountability Office Report – Nuclear Nonproliferation:
Additional Actions Needed to Increase the Security of
U.S. Industrial Radiological Sources
June 2014
(GAO-14-293)

The GAO, in its report, "Nuclear Nonproliferation: Additional Actions Needed to Increase the Security of U.S. Industrial Radiological Sources," made three recommendations solely to the NRC and one recommendation jointly to the NRC, the U.S. Department of Energy (DOE) and the U.S. Department of Homeland Security (DHS) regarding security at NRC-licensed and Agreement-State licensed facilities using high-risk industrial radiological sources. The status of the actions taken by the NRC in response to the GAO recommendation that remained open as of the NRC's last report is provided below.

Recommendation 3:

To ensure that the security of radiological sources at industrial facilities is reasonably assured, the Chairman of the Nuclear Regulatory Commission should conduct an assessment of the trustworthiness and reliability (T&R) process--by which licensees approve employees for unescorted access--to determine if it provides reasonable assurance against insider threats, including (1) determining why criminal history information concerning convictions for terroristic threats was not provided to a licensee during the T&R process to establish if this represents an isolated case or a systemic weakness in the T&R process; and (2) revising, to the extent permitted by law, the T&R process to provide specific guidance to licensees on how to review an employee's background. The NRC should also consider whether certain criminal convictions or other indicators should disqualify an employee from T&R or trigger a greater role for the NRC.

Status:

The case referenced by GAO in the first part of this recommendation referred to a misdemeanor domestic dispute on a local law enforcement record, 12 years prior to the request for unescorted access, which was not cited on the Federal Bureau of Investigation (FBI) criminal history record. As a result, the information was not available to support the T&R determination for the individual, and also did not reflect a performance deficiency or a systemic weakness.

As to the second part of this recommendation, the NRC reviewed the effectiveness of the requirements in 10 CFR Part 37 to determine whether any additional security measures, guidance updates, rulemaking changes, or licensee outreach efforts are appropriate. The completion of the 10 CFR Part 37 program review included insights into the effectiveness of the T&R process. Specifically, the review generated recommendations for enhancements in the area of T&R, including, among other things, increased controls for protection of information related to individuals having access to Category 1 and 2 quantities of radioactive materials; improved guidance related to information individuals must disclose when applying for unescorted access; development of sample forms or templates for use in T&R evaluations; and improved coordination efforts with the FBI to share potential terrorist threat information involving individuals seeking approval for new or continued unescorted access to Category 1 and 2 quantities of radioactive materials. The details of the review were included in a December 14, 2016, report to Congress.

Additionally, in late 2016, the NRC staff completed inspection activities associated with Temporary Instruction (TI) 2800/042, "Evaluation of Trustworthiness and Reliability

Determinations," and used the information gained from these activities to consider additional enhancements to the T&R process. The NRC gleaned valuable information about licensees' implementation of the requirements to conduct background checks on personnel who may be granted unescorted access to Category 1 or Category 2 quantities of radioactive material. Overall, this focused evaluation demonstrated that licensees appropriately use the information provided by the required FBI criminal history reports, in conjunction with information on employment history, personal references, and education checks, in making a T&R determination. It also demonstrated that while some licensees do utilize disqualification factors, either of their own determination or as were provided in NRC guidance or by other Federal programs (such as the Transportation Security Administration Transportation Worker Identification Credential), licensees consider all information that they gather during the background investigation to make the most informed decisions possible.

The outcomes of these activities are currently being used by the NRC staff to revise guidance for licensees to provide additional details on the conduct of background checks. In addition, the NRC staff is currently completing its evaluation of certain aspects of the T&R process, such as considering the need for disqualification criteria, and intends to finalize recommendations in this area in fiscal year (FY) 2018.

This GAO recommendation remains open.

**The U.S. Government Accountability Office Report – Federal Software Licenses:
Better Management Needed to Achieve Significant Savings Government-Wide
May 2014
(GAO-14-413)**

The GAO, in its report "Federal Software Licenses: Better Management Needed to Achieve Significant Savings Government-Wide," made recommendations to government entities, including the NRC, to ensure the effective management of software licenses. The status of the actions taken by the NRC in response to the GAO recommendations is provided below.

Recommendation 1:

Develop an agency-wide comprehensive policy for the management of software licenses that address the weaknesses identified by GAO.

Status:

The NRC has developed and implemented an agency-wide comprehensive policy for managing hardware and software assets. An Information Technology Asset Management (ITAM) program team has been established within the NRC. All deliverables, policy, and ITAM responsibilities have been transitioned to the ITAM program team.

The NRC considers this GAO recommendation to be closed.

Recommendation 2:

Employ a centralized software license management approach that is coordinated and integrated with key personnel for the majority of agency software license spending and/or enterprise-wide licenses.

Status:

The Agency Software Manager is currently working to develop the Software Management Centralization Plan and its planned completion timeframe is September 2018.

This GAO recommendation remains open.

Recommendation 3:

Establish a comprehensive inventory of software licenses using automated tools for the majority of agency software license spending and/or enterprise-wise licenses.

Status:

Scanning tools were used to generate a list of all information technology (IT) assets in the NRC environment, including software. The tools used by the current service provider were not configured to collect and report on software licenses. A manual effort was used to gather and verify data associated with the software on the list to complete a comprehensive baseline inventory of software licenses. The effort to transition to automated tools is expected to be completed in FY 2019.

This GAO recommendation remains open.

Recommendation 4:

Regularly track and maintain a comprehensive inventory of software licenses using automated tools and metrics.

Status:

Upon deployment of an automated tool, the NRC will regularly track and maintain a comprehensive inventory of all software licenses. The acquisition strategy for a software asset management tool to track and maintain a comprehensive inventory of software licenses is in alignment with the re-compete of the agency's infrastructure and support services contract in 2018. The tool is estimated to be deployed in first quarter FY 2019.

This GAO recommendation remains open.

Recommendation 5:

Analyze agency-wide software license data, such as costs, benefits, usage, and trending data, to identify opportunities to reduce costs and better inform investment decision-making.

Status:

This analysis and the finalization of a Software Management Centralization Plan will be completed after procuring an ITAM tool and completing Recommendation 3 and Recommendation 4 above. The Software Management Centralization Plan is estimated to be completed by first quarter FY 2019.

This GAO recommendation remains open.

Recommendation 6:

Provide software license management training to appropriate agency personnel addressing contract terms and conditions, negotiations, laws and regulations, acquisition, security planning, and configuration management.

Status:

The NRC will participate in software license management training, which is currently being developed by the Office of Management and Budget (OMB), the Federal Acquisition Institute, and the Defense Acquisition University. The NRC ITAM Program will require training and communication, as appropriate, for all key personnel.

This GAO recommendation remains open.

**The U.S. Government Accountability Office Report - Nuclear Regulatory Commission:
NRC Needs to Improve Its Cost Estimates by Incorporating More Best Practices
December 2014
(GAO-15-98)**

In GAO-15-98, the GAO recommended that the NRC align its procedures with relevant cost-estimating best practices identified in GAO-089-3SP, "GAO Cost Estimating and Assessment Guide: Best Practices for Developing and Managing Capital Program Costs" (March 2009). The status of the actions taken by the NRC in response to the GAO recommendation is provided below.

Recommendation:

To improve the reliability of its cost estimates, GAO recommends that, as the NRC revises its cost estimating procedures, the NRC Chairman ensures that the agency aligns the procedures with relevant cost estimating best practices identified in the *GAO Cost Estimating and Assessment Guide* and ensure that future cost estimates are prepared in accordance with relevant cost estimating best practices.

Status:

The NRC staff is updating its cost-benefit guidance to incorporate cost estimating best practices and the treatment of uncertainty to support the development of realistic estimates of the costs to implement proposed requirements. This guidance update addresses relevant best practices provided by the GAO and feedback provided by licensees, the Nuclear Energy Institute, and other stakeholders. This update will consolidate guidance documents; incorporate recommendations from the GAO's report on the NRC's cost-estimating practices and cost-estimating best practices from the GAO's guide; and capture best practices for the consideration of qualitative factors in accordance with Commission direction in the staff requirements memorandum (SRM) for SECY-14-0087.

The cost-benefit guidance update was released on April 14, 2017, for a 60-day public comment period. Comments received were resolved and the document is undergoing final review. The guidance document is expected to be submitted to the Commission in the spring of 2018.

This GAO recommendation remains open.

The U.S. Government Accountability Office Report – Data Center Consolidation:
Agencies Making Progress, but Planned Savings Goals Need to Be Established
March 2016
(GAO-16-323)

In 2010, as the focal point for IT management across the government, OMB's Federal Chief Information Officer launched the Federal Data Center Consolidation Initiative to reduce the growing number of centers. Information technology reform legislation was subsequently enacted in December 2014 that included a series of provisions related to the federal data center consolidation effort, including requiring agencies to report on cost savings and requiring GAO to annually review agency inventories and strategies.

The status of the actions taken by NRC in response to the GAO recommendation is provided below.

Recommendation:

The Secretaries of the Departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Homeland Security, Housing and Urban Development, the Interior, Labor, State, Transportation, the Treasury, and Veterans Affairs; the Attorney General of the United States; the Administrators of the Environmental Protection Agency, General Services Administration, National Aeronautics and Space Administration, and U.S. Agency for International Development; the Director of the Office of Personnel Management; the Chairman of the Nuclear Regulatory Commission; and the Commissioner of the Social Security Administration should take action to improve progress in the data center optimization areas that we reported as not meeting OMB's established targets, including addressing any identified challenges.

Status:

The NRC is in the process of submitting a Statement of Work for installing energy metering, power usage effectiveness, and tiered server utilization software into the NRC environment. NRC plans to have this completed by fourth quarter of FY 2018. Non-tiered server utilization will be reduced by the planned closure of non-tiered data centers. The NRC will re-evaluate the facilities utilization metric after all the non-tiered data centers have been combined into the existing tiered data centers.

This GAO recommendation remains open.

The U.S. Government Accountability Office Report – Nuclear Security: NRC Has Enhanced the Controls of Dangerous Materials, but Vulnerabilities Remain
July 2016
(GAO-16-330)

The GAO, in its report, "Nuclear Security: NRC Has Enhanced the Controls of Dangerous Materials, but Vulnerabilities Remain," made three recommendations to the NRC to address vulnerabilities associated with licensing and accountability strategies for Category 3 sources and quantities of radioactive material. The status of the actions taken by NRC in response to the GAO recommendations is provided below.

Recommendation 1:

Because some quantities of radioactive materials are potentially dangerous to human health if not properly handled, NRC should take action to better track and secure these materials and verify the legitimacy of the licenses for those who seek to possess them. Specifically, the NRC should take the steps needed to include category 3 sources in the National Source Tracking System and add agreement state category 3 licenses to the Web-based Licensing System as quickly as reasonably possible.

Status:

In early 2016, the NRC formed a working group, the "License Verification and Transfer of Category 3 Sources Working Group" (LVWG), to evaluate license verification and transfer requirements for Category 3 sources. The LVWG evaluated the inclusion of Category 3 licenses in the NRC's Web-Based Licensing System and the methods available for verifying the legitimacy of licenses held by those licensees prior to the transfer of material. The working group also evaluated the inclusion of Category 3 sources in the National Source Tracking System (NSTS) for the specific purpose of preventing licensees from accumulating Category 3 sources into Category 2 or higher quantities of radioactive material. The LVWG made recommendations to enhance the existing processes for license verification and source tracking beyond Category 1 and Category 2 thresholds. These recommendations were provided to the Commission as part of the staff's reevaluation of Category 3 sources as outlined below.

On October 18, 2016, in the SRM for COMJMB-16-0001, "Proposed Staff Re-Evaluation of Category 3 Source Accountability," the Commission directed the NRC staff to re-evaluate Category 3 source accountability given the agency's operating experience with higher-risk sources and in response to findings made by GAO. In the direction provided in the SRM, the Commission stated that the staff should assess the risks posed by the aggregation of Category 3 sources into Category 2 quantities as part of its efforts to re-evaluate Category 3 source accountability.

A working group - the "Category 3 Source Security and Accountability Working Group" - was formed to address the following tasks: evaluating the pros and cons of different methods for verifying the validity of a license before a Category 3 source is transferred; evaluating the pros and cons of including Category 3 sources in the NSTS; assessing any additional options to address the source accountability recommendations made by the GAO; identifying changes in the threat environment since 2009 and evaluating whether those changes support expanding the NSTS to include Category 3 sources; assessing the risks posed when a licensee possesses enough Category 3 sources to require the higher level protections for Category 2 quantities; and collaborating with our Agreement State partners, non-Agreement States, licensees, public interest groups, industry groups, and the reactor community to fully assess the regulatory impact of any recommendation made by the working group. The Category 3 Source Security

and Accountability working group considered recommendations made by the LVWG and also informed its evaluation with the results of the NRC staff's review of the effectiveness of 10 CFR Part 37, the results of which were reported to Congress in December 2016.

As directed by the Commission, the Category 3 Source Security and Accountability Working Group developed a notation vote paper that was submitted to the Commission in August 2017 (SECY-17-0083, "Re-Evaluation of Category 3 Source Security and Accountability in Response to SRM-COMJMB-16-0001). The Commission is currently considering the staff's analysis and recommendations.

This GAO recommendation remains open.

Recommendation 2:

Because some quantities of radioactive materials are potentially dangerous to human health if not properly handled, NRC should take action to better track and secure these materials and verify the legitimacy of the licenses for those who seek to possess them. Specifically, the NRC should at least until such time that category 3 licenses can be verified using the License Verification System, require that transferors of category 3 quantities of radioactive materials confirm the validity of a would-be purchaser's radioactive materials license with the appropriate regulatory authority before transferring any category 3 quantities of licensed materials.

Status:

The LVWG evaluated this recommendation, and its analysis was considered by the Category 3 Source Security and Accountability Working Group. The Commission is currently considering the staff's analysis and recommendations.

This GAO recommendation remains open.

Recommendation 3:

Because some quantities of radioactive materials are potentially dangerous to human health if not properly handled, NRC should take action to better track and secure these materials and verify the legitimacy of the licenses for those who seek to possess them. Specifically, the NRC should, as part of the ongoing efforts of NRC working groups meeting to develop enhancements to the prelicensing requirements for category 3 licenses, consider requiring that an on-site security review be conducted for all unknown applicants of category 3 licenses to verify that each applicant is prepared to implement the required security measures before taking possession of licensed radioactive materials.

Status:

In early 2016, the NRC formed a working group, the "Enhancements to Pre-Licensing Guidance Working Group" (PLWG), to evaluate pre-licensing activities and develop recommendations for enhancements to the pre-licensing process. The PLWG developed recommendations that involve changes to existing regulations and revisions to existing training, guidance, and procedures. The NRC staff developed an action plan for the non-rulemaking recommendations (e.g., revisions to license applicant guidance documents, revisions to NRC pre-licensing guidance and checklists) and is currently implementing them, and has provided other recommendations to the Commission for consideration. Upon receipt of Commission direction on this and other recommendations pertaining to materials licensees, the NRC staff will develop a rulemaking plan for Commission consideration.

This GAO recommendation remains open.

**The U.S. Government Accountability Office Report - INFORMATION SECURITY:
Agencies Need to Improve Controls over Selected High-Impact Systems,
May 2016
(GAO-16-501)**

Federal systems categorized as high impact are those systems that hold sensitive information, and the loss of this information could cause individuals, the government, or the nation catastrophic harm. These systems warrant increased security to protect them.

The status of the actions taken by the NRC in response to the GAO recommendation that remained open as of the NRC's last report is provided below.

Recommendation 5:

Update the standard that addresses continuous monitoring to include metrics and ongoing status monitoring.

Status:

The NRC is updating the Information Security Continuous Monitoring Process (CSO-PROS-1323) to specify metrics and other process improvements to continuous monitoring. The process is estimated to be completed by fourth quarter FY 2018.

This GAO recommendation remains open.

The U.S. Government Accountability Office Report – Information Technology: Agencies Need to Improve Their Application Inventories to Achieve Additional Savings
September 2016
(GAO-16-511)

The Federal Government is expected to spend more than $90 billion on IT in FY 2017. This includes a variety of software applications supporting agencies' enterprise needs. Since 2013, OMB has advocated the use of application rationalization. This is a process by which an agency streamlines its portfolio of software applications with the goal of improving efficiency, reducing complexity and redundancy, and lowering the cost of ownership.

The status of the actions taken by the NRC in response to the GAO recommendation that remains open is provided below.

Recommendation:

To improve federal agencies' efforts to rationalize their portfolio of applications, the heads of the Departments of Agriculture, Commerce, Education, Energy, Health and Human Services, Housing and Urban Development, the Interior, Labor, State, Transportation, the Treasury, and Veterans Affairs; and heads of the Environmental Protection Agency; National Aeronautics and Space Administration; National Science Foundation; Nuclear Regulatory Commission; Office of Personnel Management; Small Business Administration; Social Security Administration; and U.S. Agency for International Development should direct their Chief Information Officers (CIOs) and other responsible officials to improve their inventories by taking steps to fully address the practices we identified as being partially met or not met.

Status:

The NRC met three out of the four specified areas noted by GAO. The NRC partially met the fourth, which was to document the procedures and processes to maintain the systems inventory. The NRC is working on updating the draft procedures as referenced in the GAO report. The completion date for this activity has changed to align with a common continuous monitoring and diagnostics approach being developed by General Services Administration (GSA) and DHS. The planned completion date is December 2018.

This GAO recommendation remains open.

The U.S. Government Accountability Office Report – Nuclear Material: Agencies Have Sound Procedures for Managing Exchanges but Could Improve Inventory Monitoring
October 24, 2016
(GAO-16-713)

The GAO, in its report, "Agencies Have Sound Procedures for Managing Exchanges but Could Improve Inventory Monitoring," made two recommendations to improve inventory monitoring, one of which applied to the NRC. The status of the actions taken by the NRC in response to the GAO recommendations that remain open is provided below.

Recommendation 1:

Clarify in guidance the conditions under which facilities may carry negative obligation balances.

Status:

The NRC staff revised NUREG/BR-0006, "Instructions for Completing Nuclear Material Transaction Reports (DOE/NRC Forms 741 and 740M)," and NUREG/BR-0007, "Instructions for the Preparation and Distribution of Material Status Reports (DOE/NRC Forms 742 and 742C)," in 2017. The revision of the two NUREGs is limited to the specific reporting requirements under the 10 CFR Part 75 proposed rule that implements the Modified Small Quantities Protocol to the United States International Atomic Energy Agency Caribbean Territories Safeguards Agreement. Once the rule is in effect and the revised NUREGs are issued, the NRC staff will commence a comprehensive revision of the NUREGs that will include an opportunity for public comment. The NRC intends to address the GAO's recommendation to include guidance on obligation balances and reporting during this comprehensive revision to the NUREGs. While the schedule for completing these updates is contingent, in part, on the number and nature of the public comments, the comprehensive revision to the NUREGs is planned to begin in the summer of 2018.

This GAO recommendation remains open.

Recommendation 2:

Develop an early-warning monitoring capability in NMMSS to alert senior DOE officials when inventory of unobligated low-enriched uranium is particularly low.

Status:

As stated in the Chairman's letter dated January 3, 2017 (ADAMS Accession No.: ML16319A311), the NRC has no response because this recommendation concerns matters only affecting DOE.

The NRC considers this GAO recommendation to be closed.

**Radioactive Sources – Opportunities Exist for Federal Agencies
to Strengthen Transportation Security
February 2017
(GAO-17-58)**

The GAO, in its report, "Radioactive Sources: Opportunities Exist for Federal Agencies to Strengthen Transportation Security," made two recommendations to the NRC and one recommendation to the U.S. Department of Transportation (DOT). Recommendations for the NRC and focus on collecting additional information and ensuring compliance with NRC security requirements for ground transport of risk-significant radioactive sources. The status of the actions taken by the NRC in response to the GAO recommendations are provided below.

GAO Recommendation 1:

The Chairman of the NRC take actions to collect information from licensees on the number of shipments and mode of transport for such risk-significant radioactive sources-for example, by identifying the extent to which an existing NRC database (e.g., National Source Tracking System (NSTS)) may be used to capture this information.

Status:

The NRC disagrees with the recommendation to expand its existing data collection requirements or to transition such information from its existing NRC databases to the NSTS. As required by 10 CFR Part 37, "Physical Protection of Category 1 and Category 2 Quantities of Radioactive Material," the NRC currently collects the number of shipments and mode of transport for domestic transfers, and the import and export of Category 1 quantities of radioactive material. Additionally, under the provisions of 10 CFR Part 110, "Export and Import of Nuclear Material," the NRC collects the number of shipments and mode of transport for the import and export of shipments containing Category 2 or higher quantities of radioactive material. The current information collected provides the NRC with an understanding of the potential modes of transport for Category 1 and 2 quantities of radioactive material and existing regulatory requirements provide robust protection for all such modes. Consequently, the NRC does not consider the proposed additional information collection activity to be of sufficient safety or security benefit to justify the associated regulatory actions it would require.

The NRC considers this GAO recommendation to be closed.

GAO Recommendation 2:

The Chairman of the NRC, in consultation with the Secretary of Transportation and the Secretary of Homeland Security, to identify an approach to verify that motor carriers are meeting the 10 CFR Part 37 security requirements applicable to transportation, for example by having DOT inspectors verify compliance with 10 CFR Part 37 security requirements during their on-site investigations.

Status:

Through numerous meetings, NRC and DOT staff have determined that the existing methods being employed to verify that motor carriers are implementing 10 CFR Part 37 security requirements provide reasonable assurance that the requirements of 10 CFR Part 37 are being met. This framework is further strengthened by a cooperative relationship among DHS, DOT,

and the NRC on transportation security for radioactive materials, including a memorandum of understanding among the three agencies, published on July 14, 2015 (80 FR 41097).

In addition, DOT and DHS participate with other Federal agencies and State representatives on the Radiation Source Protection and Security Task Force (Task Force), which is chaired by the Chairman of the NRC, consistent with the Energy Policy Act of 2005. This Task Force evaluates the security of radioactive sources in the U.S. from potential terrorist threats, and provides recommendations to the President and Congress as warranted, to ensure that risk-significant radioactive sources remain secure during their life cycle, including in transit.

While the DOT and NRC staff have determined that the existing infrastructure for ensuring that motor carriers comply with security requirements is fully capable of ensuring the security of risk-significant radioactive material in transit, the NRC staff will continue to collaborate with DOT regarding inspection and enforcement activities.

The NRC considers this GAO recommendation to be closed.

GAO Recommendation 3:

The Secretary of Transportation, in consultation with the Chairman of the NRC and the Secretary of Homeland Security, consider examining the potential costs and security benefits associated with lowering the Highway Route Controlled Quantity (HRCQ) threshold so that more, or all, Category 1 shipments are classified as HRCQ shipments.

Status:

The NRC recognizes that HRCQ thresholds fall under the jurisdiction of DOT. If requested by DOT, the NRC will support efforts to explore the potential costs and security benefits associated with lowering the HRCQ threshold so that more if not all, of the shipments of Category 1 quantities of radioactive material may be classified as HRCQ shipments.

The NRC considers this GAO recommendation to be closed.

**The U.S. Government Accountability Office Report – Regulatory
Fee-Setting Calculations Need Greater Transparency
February 2017
(GAO-17-232)**

The GAO, in its report, "Regulatory Fee-Setting Calculations Need Greater Transparency," made two recommendations to the NRC to enhance the transparency and timeliness of NRC's fee-setting process. The status of the actions taken by the NRC in response to the GAO recommendations is provided below.

Recommendation 1:

Clearly present information in NRC's proposed fee rule, final fee rule, and fee work papers by defining and consistently using key terms, providing complete calculations for how fees are determined, and ensuring the accuracy of the fee rules, so that stakeholders can understand fee calculations and provide substantive comments to the agency on them.

Status:

Starting with the FY 2017 proposed fee rule, the NRC implemented improvements to help stakeholders understand fee calculations. The NRC provided definitions of the hourly rate components and included the calculation of productive hours used in the development of the hourly rate. The NRC also clarified other terms throughout the FY 2017 proposed fee rule. For instance, the NRC provided definitions with examples when discussing international activity resources in the work papers. To support and clarify the FY 2017 proposed fee rule, the NRC posted fee-related spreadsheets in electronic format on our public Web site. For the FY 2018 proposed fee rule, the NRC proposes to revise the definitions of the professional hourly rate components for further consistency. Also in the FY 2018 proposed fee rule, the NRC proposes to codify associated definitions in 10 CFR Part 170.

The NRC considers this GAO recommendation to be closed.

Recommendation 2:

Develop objective, measurable, and quantifiable performance goals and measures that enable the NRC to assess the extent to which its efforts to improve transparency and timeliness are successful, and implement a plan and schedule for comparing results with the established performance goals.

Status:

The NRC analyzed its fee setting process to improve transparency, equitability, and timeliness. The NRC developed a list of 37 activities that include improvements to the content of the NRC's license-fee website, increased NRC outreach to licensees, increased invoice detail, and adding information on fees in the Congressional Budget Justification (CBJ). The NRC has developed performance measures that will gauge our success in meeting our goals of increased transparency, equitability, and timeliness. These measures will be monitored and compared with our established performance goals on a quarterly basis.

For the transparency and equitability goals, the performance measures include: the percentage of improvement activities completed each year (80 percent), holding a public fee rule meeting with stakeholders, holding two public outreach meetings with stakeholders on fee setting or fee billing topics, and soliciting public comments on our improvement activities. For the timeliness goal, the performance measure is to meet the planned date for issuance of the proposed and final fee rules.

For more information, please see our Fees Transformation Accomplishments at: https://www.nrc.gov/about-nrc/regulatory/licensing/fees-transformation-accomplishments.html.

In addition, to support transparency, the NRC held a public meeting in February 2017 on the FY 2017 proposed fee rule. For the FY 2018 proposed fee rule, a public meeting was held in February 2018. Two additional public outreach meetings will be scheduled in FY 2018 on fee setting or fee billing topics. Finally, we plan to solicit public comments with the fee transformation initiative through a request for information to be published in the *Federal Register* on the NRC's progress in FY 2019 and again in FY 2021 after the activities for this initiative have concluded.

To enhance timeliness for communicating fee changes, the NRC published the FY 2017 proposed fee rule in January 2017, almost 2 months earlier than in previous years. For the FY 2018 proposed fee rule, the NRC is continuing to meet this accelerated schedule. To support enhanced equitability, the agency is continuing the review of the calculations and processes to support future changes, informed by our outreach to the affected stakeholders.

The NRC considers this GAO recommendation to be closed.

The U.S. Government Accountability Office Report - Strategic Human Capital Management: NRC Could Better Manage the Size and Composition of Its Workforce by Further Incorporating Leading Practices
April 27, 2017
GA0-17-233

The GAO, in its report: "Strategic Human Capital Management: NRC Could Better Manage the Size and Composition of Its Workforce by Further Incorporating Leading Practices," made recommendations to the NRC to further enhance strategic human capital management with leading practices. The GAO indicated that using forward-looking strategies, setting goals, using data-driven planning and accountability systems, and ensuring that employees have relevant knowledge to carry out their responsibilities are essential for strategic human capital management. The status of the actions taken by the NRC in response to the GAO recommendations is provided below.

GAO Recommendation 1:

Set agency wide goals, which could be ranges, for overall workforce size and skills composition that extends beyond the 2-year budget cycle.

Status:

On July 5, 2017, the NRC initiated a one year pilot of an Enhanced SWP process that better integrates workload projection, skills identification, human capital management, individual development, and workforce management activities. As currently envisioned, the SWP has an annual cycle that ensures the insights from both 1-year and 5-year workload forecasts are considered in NRC strategic planning, human capital management, and budget formulation activities.

At the conclusion of the pilot, the NRC will perform a lessons-learned assessment to identify strengths, challenges, estimated resources, and recommended improvements to the enhanced process for agency-wide implementation.

This GAO recommendation remains open.

GAO Recommendation 2:

Establish a systematic, comprehensive approach for tracking employee skills information, either through the system developed through the competency modeling pilot program or some other system.

Status:

The NRC has developed a standard "skills inventory" system to track positions and the associated skills for offices participating in the pilot. We expect to use the skills inventory as a resource for the execution of SWP gap closure strategies and to identify people who may fulfil a core position gap. At the conclusion of the pilot, the lessons-learned assessment includes an evaluation of the skills inventory to identify strengths, challenges, estimated resources, and recommended improvements.

This GAO recommendation remains open.

<u>GAO Recommendation 3</u>:

Consistently train managers and supervisors in strategic human capital management and assessing employee skillsets.

<u>Status</u>:

Training is an integral part of the Enhanced SWP pilot. The participating pilot office managers received an overview of the process and associated SWP concepts. Starting in January 2018, additional training will provide guidance and instruction on the execution of the remaining SWP process steps for all levels of management. Upon completion of the pilot and lesson-learned assessment, the enhanced SWP process and strategic human capital management concepts will be incorporated into existing management training.

This GAO recommendation remains open.

The U.S. Government Accountability Office Report – Data Center Optimization: Agencies Need to Complete Plans to Address Inconsistencies in Reported Savings May 2017 (GAO-17-388)

In December 2014, IT acquisition reform legislation was enacted that included a series of provisions related to ongoing federal data center consolidation efforts. The legislation required covered agencies to develop data center consolidation strategic plans and report cost savings to OMB. It also included a provision for GAO to annually review agencies' data center inventories and strategies. OMB's Federal Chief Information Officer (CIO) subsequently launched the Data Center Optimization Initiative (DCOI) to build on prior data center consolidation efforts and improve federal data centers' performance.

The status of the actions taken by the NRC in response to the GAO recommendation is provided below.

Recommendation:

The Secretaries of the Departments of Commerce, Defense, Energy, Health and Human Services, Interior, Labor, State, Transportation, Treasury, and Veterans Affairs; the Attorney General; and the Administrators of the Environmental Protection Agency, National Aeronautics and Space Administration, Small Business Administration, and U.S. Agency for International Development; the Chairman of the Nuclear Regulatory Commission; and the Commissioner of the Social Security Administration, should take action to complete the missing elements in their respective DCOI strategic plan, including addressing any identified challenges, and submit their completed strategic plan to OMB.

Status:

The NRC updated and submitted its DCOI Strategic Plan in April 2017 consistent with the requirements in the OMB's August 2016 memorandum on the content of agencies' DCOI Strategic Plans. This update identifies planned cost savings for FY 2016-2018, actual cost savings for FY 2016, and costs for consolidations. The NRC posted the updated CIO Certification Statement and its DCOI Strategic Plan, as a JavaScript Object Notation file, on its public Web site (https://www.nrc.gov/public-involve/open/digital-government.html).

The NRC considers this GAO recommendation to be closed.

The U.S. Government Accountability Office Report – Data Center Optimization: Agencies Need to Address Challenges and Improve Progress to Achieve Cost Savings Goal
August 2017
(GAO-17-448)

In December 2014, the Federal Information Technology Acquisition Reform Act (FITARA) was enacted and included a series of provisions related to improving the performance of data centers, including requiring OMB to establish optimization metrics and agencies to report on progress toward meeting the metrics. OMB's Federal CIO subsequently launched the DCOI to build on prior data center consolidation and optimization efforts.

GAO was asked to review data center optimization. The status of the actions taken by NRC in response to the GAO recommendation is provided below.

Recommendation:

The Secretaries of Agriculture, Commerce, Defense, Homeland Security, Energy, HHS, Interior, Labor, State, Transportation, Treasury, and VA; the Attorney General of the United States; the Administrators of EPA, GSA, and SBA; the Director of OPM; and the Chairman of NRC take action to, within existing OMB reporting mechanisms, complete plans describing how the agency will achieve OMB's requirement to implement automated monitoring tools at all agency-owned data centers by the end of FY 2018.

Status:

The NRC has developed a Statement of Work for implementing automated monitoring tools at all agency-owned data centers, and plans to have this awarded by the fourth quarter FY 2018.

This GAO recommendation remains open.

The U.S. Government Accountability Office Report – Information Technology Reform:
Agencies Need to Improve Certification of Incremental Development
November 2017
(GAO-18-148)

Investments in Federal IT too often result in failed projects that incur cost overruns and schedule slippages. Recognizing the severity of issues related to government-wide IT management, Congress enacted Federal IT acquisition reform legislation in December 2014. Among other things, the law states that OMB require in its annual IT capital planning guidance that CIOs certify that IT investments are adequately implementing incremental development.

GAO was asked to review agencies' use of incremental development. The status of actions taken by the NRC in response to the GAO recommendation directed to NRC is provided below.

Recommendation 15:

The Chairman of NRC should ensure that the CIO of NRC establishes an agency-wide policy and process for the CIO's certification of major IT investments' adequate use of incremental development, in accordance with OMB's guidance on the implementation of FITARA, and confirm that it includes a description of the CIO's role in the certification process and a description of how CIO certification will be documented.

Status:

The NRC updated its Capital Planning and Investment Control (CPIC) policy and process documents to include (1) an agencywide process to ensure that all major information technology investments and acquisitions are reviewed for the use of adequate incremental development; (2) the role of the CIO in the process; and (3) how the CIO's certification will be documented. The updated CPIC policy was posted to the NRC Public Website on December 31, 2017, and is available at https://www.nrc.gov/public-involve/open/digital-government/policyarchive/.

The NRC considers this GAO recommendation to be closed.