

Mr. Murray G. Sagsveen
State Health Officer
North Dakota Department of Health
State Capitol
600 East Boulevard Avenue
Bismarck, ND 58505-0200

October 10, 2000

Dear Mr. Sagsveen:

Enclosed is the final report of the follow-up Integrated Materials Performance Evaluation Program (IMPEP) review of the North Dakota radiation control program. The review was conducted by an interoffice team on July 12, 2000. The team reviewed, in detail, the performance indicator of concern identified during the 1999 IMPEP review, Status of Materials Inspection Program. Mr. James Lynch, Region III State Agreements Officer, and Mr. James Myers, Office of State and Tribal Programs, were the team members for the follow-up review. The review team's findings were discussed with Mr. Jeffrey Burgess and staff on the day of the review.

The review team found that the inspection program has improved. The team concluded that the program has responded to and resolved the three 1999 review recommendations for the performance indicator, Status of Materials Inspection Program.

Based on the follow-up IMPEP review, the Management Review Board (MRB) declares that North Dakota's performance with respect to the indicator, Status of Materials Inspection Program, be changed from the April 1999 IMPEP review finding of "satisfactory with recommendations for improvement" to "satisfactory." The MRB continues to find the North Dakota program to be adequate to protect public health and safety and compatible with NRC's program.

Based on the results of the follow-up IMPEP review, the next IMPEP review will be scheduled in approximately four years from the 1999 full IMPEP review.

I appreciate the courtesy and cooperation extended to the IMPEP team during the follow-up review and your support of the radiation control program. I look forward to our agencies continuing to work cooperatively in the future.

Sincerely,

/RA/

Carl J. Paperiello
Deputy Executive Director
for Materials, Research and
State and Tribal Programs

Enclosure:
As stated

cc: see next page

Murray G. Sagsveen

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cc: Jeffrey L. Burgess, Director
Air Quality Division

Kenneth W. Wangler, Manager
Radiation Control Program

Steve Collins, Organization of
Agreement States Liaison to MRB
Illinois Department of Nuclear Safety

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Steve Collins, Organization of
Agreement States Liaison to MRB
Illinois Department of Nuclear Safety

bcc: Chairman Meserve
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
Commissioner Merrifield

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INTEGRATED MATERIALS PERFORMANCE EVALUATION
PROGRAM (IMPEP) FOLLOW-UP REVIEW OF
THE NORTH DAKOTA RADIATION CONTROL PROGRAM

July 12, 2000

FINAL REPORT

U. S. Nuclear Regulatory Commission

1.0 INTRODUCTION

This report presents the results of the follow-up review of the North Dakota Department of Health, Air Quality Division, Radiation and Asbestos Control Program (RCP), conducted on July 12, 2000. In early 2000, the Division of Environmental Engineering was renamed the Air Quality Division, however, the duties of the Division remain the same. This follow-up review was directed by the Management Review Board (MRB) based on the results of the April 13-16, 1999 Integrated Materials Performance Evaluation Program (IMPEP) review. The MRB requested that a follow-up review of the common performance indicator, Status of Materials Inspection Program, be conducted in one year based on the "satisfactory with recommendations for improvement" finding for this indicator. The follow-up review also included evaluation of actions taken by the State to address the three recommendations made during the April 1999 IMPEP review involving this indicator.

The follow-up review was conducted, via telephone, by a review team consisting of two technical staff members from the Nuclear Regulatory Commission's (NRC) State and Tribal Programs and Region III offices. Team members are identified in Appendix A. The follow-up review was conducted in accordance with the "Implementation of the Integrated Materials Performance Evaluation Program and Rescission of a Final General Statement of Policy," published in the Federal Register on October 16, 1997, and the November 5, 1999, NRC Management Directive 5.6, "Integrated Materials Performance Evaluation Program."

At the time of the follow-up review, the North Dakota program regulated approximately 70 specific licenses. In preparation for the follow-up review, the RCP submitted an update letter, dated July 5, 2000. A copy of the letter is included in Appendix B of this report.

The team's approach for conducting the follow-up review consisted of: (1) examination of the RCP's update letter; (2) in-depth review of the program indicator, Status of Materials Inspection Program, for the period of April 17, 1999 - July 12, 2000; (3) evaluation of the RCP's actions in response to the three recommendations, from the previous review, involving this indicator; and (4) interviews with staff and management to answer questions or clarify issues. Preliminary results were discussed with the RCP management on July 12, 2000.

Section 2 below discusses the results of this follow-up review of the North Dakota program for the common performance indicator, Status of Materials Inspection Program. Section 3 summarizes the follow-up review team's findings for this review.

2.0 COMMON PERFORMANCE INDICATOR, STATUS OF MATERIALS INSPECTION PROGRAM

During the follow-up review, the team evaluated actions taken by the RCP in response to the recommendations for improvement involving the indicator, Status of Materials Inspection Program noted during the 1999 review.

Recommendation 1:

The review team recommends that the RCP management devote additional attention to a "pro-active" review of the current inspection tracking systems, and adjust staff priorities accordingly to ensure core licensees are inspected at the required intervals.

Current Status

Program management appropriately adjusted staff priorities which resulted in a zero backlog inspection program. The computerized tracking system is being used to ensure that managers are fully aware of the inspection program status.

Based on the follow-up review, the team considers this recommendation closed.

Recommendation No. 2

The review team recommends that the RCP continue their efforts to complete inspections of high priority reciprocity licensees in accordance with the Inspection Manual Chapter (IMC) 1220.

Current Status

In their August 29, 2000 reply to the draft report, RCP stated that attention to the inspection of reciprocity licensees was intensified since the follow-up review. Reciprocity inspection goals are close to being met for the year and the RCP has demonstrated its commitment to resolve the reciprocity inspection issue. See Section 2.1 for additional information.

Based on the follow-up review, the team considers this recommendation closed.

Recommendation No. 3

The review team recommends that the RCP management continue to provide additional oversight to ensure inspection findings (letters of noncompliance) are communicated to licensees in a timely manner, and that licensee responses are evaluated promptly upon their receipt by the RCP.

Current Status

Inspection findings are now communicated to licensees in a timely manner and licensee responses are promptly reviewed. Inspection staff are aware of the priority of these communications.

Based on the follow-up review, the team considers this recommendation closed.

2.1 Status of Materials Inspection Program

The review team focused on four factors in evaluating this indicator: inspection frequency; overdue inspections; initial inspection of new licensees; and timely dispatch of inspection findings to licensees. The review team's evaluation is based on the RCP's update letter and attached computer printouts, and interviews with program staff.

The RCP indicated that inspection frequencies for each type of license were the same as those listed in NRC's IMC 2800, with only one exception. The State assigns a Priority 4 frequency for licensees authorized for portable nuclear gauging devices. The RCP's experience identified that portable gauges in North Dakota, especially those used in oil field operations, are often

used in perilous environments, necessitating increased RCP oversight. The RCP's frequency is more restrictive than the frequency specified for Priority 5 licenses in IMC 2800. The review team also noted that the RCP has utilized their written procedures for extension or reduction of inspection intervals, based upon licensee performance.

Since the last review, the RCP completed 44 inspections, including the two core (as defined in IMC 2800) inspections which were overdue at the time of the last review. All core inspections during the review period were performed in a timely manner and no inspections are overdue at this time. Since the last review, the RCP has better utilized its tracking system and has renewed emphasis on timely inspections. They also changed the inspection scheduling procedure, targeting the inspection due date rather than the 25% window.

Inspections of licensee operations in the field, as opposed to office inspections, are preferred. If it is possible to perform a field inspection, it is done. Three field inspections were performed since the last review.

The staff uses a computer database program to track inspection due dates. This data is provided to inspection staff and management on at least a monthly basis to monitor upcoming inspections. Both inspector/reviewers use the tracking system to plan inspections and track license actions. The Program Manager may request a tracking update whenever desired. Twenty inspections are due between June 2000 and November 2001. The follow-up review team concluded that the database tracking system has been effectively used by the RCP.

Two new licenses were issued since the last review and both were inspected within six months as required by the State's procedures that are based on IMC 2800. Consistent with IMC 2800, a 25% window is not used for initial inspections.

The review team also evaluated the status of reciprocity inspections. The previous review noted that the RCP did not meet its goals, outlined in NRC's IMC 1220, for higher priority reciprocity inspections. Between April 17, 1999 and July 12, 2000, the RCP conducted only one Priority 1 reciprocity inspection of the 23 licenses granted reciprocity. At the time of the follow-up review, nine reciprocity licensees were currently working in the State. RCP planned to inspect these licensees at the earliest opportunity. A breakdown of licensees granted reciprocity since the last review is as follows:

Priority 1	7 companies, 3 of which are currently in North Dakota
Priority 2	None
Priority 3	5 companies, 3 of which are currently in North Dakota
Priority 4	7 companies, 3 of which are currently in North Dakota
Priority 5	None
Priority 6	4 companies, none currently in North Dakota

The Program Manager stated that the inspection and licensing of the State's specific licenses has been the priority to this point, but now that they are caught up in those areas, more attention will be devoted to reciprocity inspections. The IMC 1220 goals can still be met for the year based on the ongoing work by reciprocity licensees in North Dakota.

In the August 29, 2000 response to the draft IMPEP report (Appendix C) the North Dakota State Health Officer indicated that since the July 12, 2000 review, 6 reciprocity inspections were completed, thus bringing the program very close (within one inspection) to meeting IMC 1220 reciprocity inspection goals for the year. He requested that the recommendation from the 1999 review be closed, as the RCP has demonstrated its commitment to resolve the reciprocity inspection issue. The review team concurs with the request and considers this recommendation closed.

The RCP has a written policy that establishes inspection report timeliness goals consistent with NRC's IMC 0610. The State's goal is to dispatch written findings of inspections to licensees within 30 days after completing an inspection. The last review identified that approximately one third of core inspection findings were not sent to licensees in a timely manner. Since that review, of a total of 44 inspections, only 3 licensee letters were issued past the 30-day goal. All letters were issued within 50 days of the inspection. One of the inspection letters was late due to escalated enforcement, another due to a licensing priority and the third was caused by a delay in receipt of information from a licensee which had been requested during the inspection. In all 3 instances, licensees were informed, within the 30-day period, that the inspection letters would be delayed.

The RCP considered the use of field inspection forms, like NRC's 591 form, but instead, has begun development on a computerized inspection report, which can be formulated during an inspection, using a laptop computer, and issued to the licensee at the inspection exit meeting.

The last review also noted that the RCP's review of licensee responses to letters of noncompliance were not always performed in a timely manner. The RCP reported that all licensee responses received since the last review were properly evaluated within the 30-day time limit. The Program Manager indicated that increased management attention to this area was implemented in October 1998 and it has not been a problem since.

The review team recommends that North Dakota's performance with respect to the indicator, Status of Materials Inspection Program, be found satisfactory.

3.0 SUMMARY

The follow-up review team found North Dakota's performance in responding to and resolving the three recommendations involving the common performance indicator, Status of Materials Inspection Program, to be acceptable.

As noted in Section 2 above, the review team concludes that the inspection program has shown improvement since the 1999 IMPEP review. The review team recommends that North Dakota's performance with respect to the indicator, Status of Materials Inspection Program, be changed from the April 1999 IMPEP review finding of "satisfactory with recommendations for improvement" to "satisfactory." The review team recommends that the MRB continue to find the North Dakota's program to be adequate to protect public health and safety and compatible with NRC's program.

The follow-up review team recommends that the North Dakota Agreement State program receive a full IMPEP review four years from the 1999 full IMPEP review. The team suggests that the next Periodic Meeting be scheduled for Fall 2001.

LIST OF APPENDICES

Appendix A	IMPEP Follow-up Review Team Members
Appendix B	North Dakota's Update Letter Dated July 5, 2000
Appendix C	North Dakota's Response Letter Dated August 29, 2000

APPENDIX A

IMPEP FOLLOW-UP REVIEW TEAM MEMBERS

Name	Area of Responsibility
James Lynch, Region III	Team Leader Status of Materials Inspection Program
James Myers, STP	Status of Materials Inspection Program

APPENDIX B

**LETTER TO JAMES L. LYNCH, NRC FROM KENNETH W. WANGLER, NORTH DAKOTA
DATED JULY 5, 2000**

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APPENDIX C

**LETTER TO PAUL H. LOHAUS, NRC FROM MURRAY G. SAGSVEEN, NORTH DAKOTA
DATED AUGUST 29, 2000**

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