



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064**

February 27, 2001

Aubrey Godwin, Director
Arizona Radiation Regulatory Agency
4814 South 40th Street
Phoenix, AZ 85040

Dear Mr. Godwin:

A periodic meeting with Arizona was held on January 30, 2001. The purpose of this meeting was to review and discuss the status of Arizona's Agreement State Program. The NRC was represented by Linda McLean and myself from NRC's Region IV office, and James Myers, by phone, from the NRC's Office of State and Tribal Programs.

I have completed and enclosed a general meeting summary, including any specific actions that will be taken as a result of the meeting.

If you feel that our conclusions do not accurately summarize the meeting discussion, or have any additional remarks about the meeting in general, please contact me at (817) 860-8143 or e-mail VHC@NRC.GOV to discuss your concerns.

Sincerely,

/RA/

Vivian H. Campbell
Regional State Agreements Officer

Enclosures:

1. Agreement State Periodic Meeting Summary for Arizona
2. Section 5 of Arizona's 1998 Final IMPEP Report

cc w/encl

Paul Lohaus, Director, OSTP

Aubrey Godwin

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DOCUMENT NAME: S:\DNMS\SAO\Periodic Meetings\2001\Arizona summary letter.wpd

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AGREEMENT STATE PERIODIC MEETING SUMMARY FOR ARIZONA

DATE OF MEETING: January 30, 2001

ATTENDEES:

NRC

Vivian Campbell, Regional State Agreements Officer
M. Linda McLean, Regional State Agreements Officer
James Myers, Agreement State Project Officer,
Office of State and Tribal Programs (by phone)

State of Arizona

Aubrey Godwin, Director, Arizona Radiation Regulatory Agency
William Wright, Program Manager, Radioactive Materials & Nonionizing Compliance

DISCUSSION:

The following is a summary of the meeting held in Phoenix, Arizona, on January 30, 2001, between representatives of the NRC and the State of Arizona. During the meeting, the topics suggested in a letter dated November 21, 2000, from Ms. Campbell to Mr. Godwin were discussed. The discussion pertaining to each topic is summarized below.

1. Action on Previous IMPEP Review Findings

The previous Integrated Materials Performance Evaluation Program (IMPEP) review was conducted during the period February 9 - 13, 1998. The status of the recommendations and suggestions outlined in Section 5.0 of the final IMPEP report were discussed at the periodic meeting on February 18, 1999. (A copy of Section 5.0 of the IMPEP report is enclosed for reference.) Five recommendations were recommended for closure at the next IMPEP review during that meeting. The proposed status of the two recommendations remaining open are summarized below.

- a. **Recommendation:** The review team recommends that the State closely monitor the impact of this deficiency rule (limits reviewer to one round of questions and licensee responses when issuing a license) and provide NRC with information about the agency's experience with this law.

Current Status: The State has been able to issue radioactive material licenses in a timely manner without being challenged regarding the questions asked during the licensing process. However, the State said that none of the licensing actions completed during this cycle were considered complex. The State still plans to monitor the impact of the deficiency rule. The Team should revisit the issue with the State during the next IMPEP.

It is recommended that this item be closed at the next IMPEP review.

- b. **Recommendation:** The team also recommends that the State follow the new reporting procedures of all incidents as described in the latest NMED manual.

Current Status: The State is following the reporting procedures for incidents in the NMED manual.

It is recommended that this item be closed at the next IMPEP review.

2. Strengths and Weaknesses of the Program

Some of the program strengths discussed were:

- a. Experienced staff in the Radioactive Materials Program with no recent turnover;
- b. Direct appointment of the Program Managers by the Program Director which allows the State to offer a competitive salary and leave benefits; and
- c. No licensing backlog, less than 10% backlog in inspection, and some reciprocity inspections have been conducted.

Some of the program weaknesses discussed were:

- a. Minimal support in the budget for computer upgrades or replacement of survey equipment;
- b. Anticipated difficulty recruiting new staff as vacancies occur (Other programs in the Agency currently have a 22% turnover rate due to salary restraints. The Radioactive Materials Program has been stable; however, many RAM staff are presently eligible for retirement.); and
- c. No funding for training of staff. Training replacement staff may become a significant issue with the retirement of eligible personnel when it occurs.

3. State Feedback on NRC's Program

The State:

- a. Uses NRC's NUREG 1556 series frequently. The State has found the guidance documents very useful.
- b. Requested access to NRC's technical assistance request (TAR) database. The State indicated that the database would be a useful resource for addressing unique licensing issues. This issue will be referred to NMSS and OSTP for consideration of inclusion of the TAR database to the OSTP Web page.
- c. Requested guidance on determining when a license is required for a service provider, and when it is acceptable for a service provider to work under the supervision of another licensee. The RSAO will follow-up on this request.

- d. Requested the schedule for the Applied Health Physics Course (H-109). The RSAO will follow-up on this request.
- e. Could not open the new OSTP Procedure, SA-1000, Implementation of the Grant Program for Funding Assistance for Formerly Licensed Sites in Agreement States. The ASPO provided an electronic copy from the OSTP Web page.
- d. Expressed concern about the resource impact for states and NRC when involved in the “weapons of mass destruction” exercises.

4. Recent or Pending State Program Changes

The State discussed aspects of a new requirement in the administrative procedures act. The State is required to provide a written status report of an inspection to the licensee every 30 days. In addition, if the State misses a status report, the State must drop the inspection/enforcement action. This new law requires the State to maintain two tracking systems for every inspection conducted. One system to prompt the staff to generate a written status report to the licensee every 30 days and another to track the timeliness of the issuance of inspection findings.

Senior staff positions in the program have recently changed to non-merit positions appointed by the Program Manager. The non-merit system eliminates overtime and compensatory time, but allows the State to increase leave benefits and salary.

The State again expressed concern that the anticipated retirement of senior staff in the RAM program over the next five years could impact the program. Additionally, the funding for training of replacement staff will be challenging given present budget restraints.

5. NRC Program or Policy Changes That Could Impact Agreement States

The All Agreement State letters STP-00-083 on the license termination rule and STP-00-83 on event reporting were discussed. The State has responded to both letters.

The status of the NRC/AEC formerly licensed sites located in Arizona and the STP procedure, SA-1000, for the implementation of the Grant Program for funding assistance for formerly licensed sites in agreement states were discussed. The State indicated that they intend to review the procedure and determine how they will proceed. The State most likely will apply for funds.

A copy of the Region IV organization was provided to the State. State assignments between the Regional State Agreements Officers (RSAO), the status of the National Materials Program and the current Working Groups were also discussed.

6. Internal Program Audits or Self Assessments

The Program Manager conducts inspector accompaniments twice a year. The State also has a multi-level review procedure for licensing and inspections documents.

7. Status of Allegations Referred by NRC to the State

The NRC referred one allegation to the State during the period and it has been closed.

8. Compatibility of Arizona Rules and Regulations

The State reviewed the latest version of the Regulation Assessment Tracking System data sheet and provided the following corrections:

NRC Chronology Identification	FR Notice	Final State Regulations
Notification of Incidents - Parts 20, 30, 31, 34, 39, 40, 70 -	56 FR 64980	August 10, 1994
Decommissioning Record keeping and license Termination: Documentation Additions (Restricted areas and spill sites) - Parts 30, 40	58 FR 39628	May 12, 1999
Exempt Distribution of a Radioactive Drug Containing One Microcurie of Carbon-14 Urea - Part 30	62 FR 63634	May 12, 1999

9. Nuclear Material Events Database (NMED)

The State is currently not using the NMED database system for submitting events. NMED will not run on their system. The State uses Access-97 on an NT operating platform. However, they have been reporting all reportable events monthly to INEEL or to NRC's Operation Center when required. The ASPO contacted INEEL contractor operating the NMED system and requested that he contact ARRA to provide assistance in the use of the NMED system.

10. Schedule for next IMPEP Review

The next IMPEP is scheduled for fiscal year 2002.

5.0 SUMMARY

As noted in Sections 3 and 4 above, the review team found that Arizona's performance with respect to each of the performance indicators to be satisfactory. Accordingly, the team recommends that the Management Review Board find the Arizona program to be adequate to protect public health and safety and compatible with NRC's program.

Below is a summary list of recommendations and suggestions, as mentioned in earlier sections of the report, for evaluation and implementation, as appropriate, by the State.

RECOMMENDATIONS:

1. The review team recommends that industrial radiography inspections need to be conducted at temporary job sites in addition to office inspections, to verify compliance to operating procedures and regulations. (Section 3.2)
2. The review team recommends that staff include more detailed documentation related to telephone deficiency calls, describing the issues and notating the applicant's response. Additionally, the staff should ensure that all requests within license applications are addressed, either in the amended license or by letter, if certain aspects of the amendment request were denied. (Section 3.4)
3. The review team recommends that the State closely monitor the impact of this deficiency rule and provide NRC with information about the agency's experience with this law. (Section 3.4.)
4. The review team recommends that all incident reports be recorded and closed out as directed in ARRA's SOP, and that written procedures be developed to ensure that the reports are consistently maintained, distributed, and cross-referenced between the incident and licensee files. (Section 3.5)
5. The team also recommends that the State follow the new reporting procedures for all incidents as described in the latest NMED manual. (Section 3.5)
6. The review team recommends the certificate AZ 244 D 102S, for TLS Systems model 40111 be amended to include the maximum amount of radioactive material used in the device and to remove the authorization for exempt license distribution. (Section 4.2.1)
7. The review team recommends that the TLS license for distribution (10-135) be amended to include model 40111. (Section 4.2.1)

SUGGESTIONS:

1. The review team suggests that the supplemental inspection report form for HDR afterloaders be modified to cover all safety feature checks and requirements of licensure. (Section 3.2)
2. The review team suggests that staff and management continue to evaluate and develop a plan to accommodate the new legislation mandating time lines in which to process applications without impacting the technical quality of license reviews. (Section 3.4)

3. The review team suggests that the State advise the NRC Office for Analysis & Evaluation of Operational Data when incidents are closed so that the NMED records may be updated. (Section 3.5)
4. The review team suggests that ARRA develop written procedures to be used as guidance for tracking, evaluating, and reporting misadministrations at the time the rule becomes effective. (Section 3.5)