



STATE OF TENNESSEE  
**DEPARTMENT OF ENVIRONMENT AND CONSERVATION**  
Division of Radiological Health

3rd Floor, L & C Annex, 401 Church Street  
Nashville, TN 37243-1532  
Phone: 615-532-0360, Fax: 615-532-7938, E-mail: enanney@mail.state.tn.us

PHL  
FCC  
DMS  
SCP  
KXS  
LSP  
R Woodruff  
TJO/TN APO

March 26, 2001

Mr. Dennis Sollenberger  
Office of State and Tribal Programs  
United States Nuclear Regulatory Commission  
Washington, DC 20555-0001

*Dennis*  
Dear Mr. Sollenberger:

As requested in Dr. Paperiello's letter dated November 27, 2000, to Mr. John Leonard of this Department, I am submitting the second of the requested bimonthly progress reports addressing the IMPEP team's suggestions and recommendations. This letter and its attachments update our January 2, 2001 response and provide the specific information requested in Dr. Paperiello's letter dated January 29, 2001, and your email of March 9, 2001. Attachment 1 follows the Program Improvement Plan outline provided, and addresses the specific questions posed. Attachment 2 is the completed status chart.

Since the IMPEP review, the Division has expended considerable resources, in both staff time and dollars, to improve the three areas found unsatisfactory by the review team: Status of Materials Inspection Program, Technical Quality of Inspections, and Legislation and Program Elements Required for Compatibility.

Of the 48 licenses that were found to be overdue by IMPEP criteria, all but four of those inspections have been performed. All of the Priority 1 licenses from that list have been inspected. Tennessee has 560 specific licenses, and of those, 73 licenses have inspection frequencies of one year or less (six months). These inspections require trained staff and, as the review team pointed out, turnover of inspection staff has been significant. Five freeze waiver requests for inspection positions were recently approved by Department management. Since the review, three new inspectors have been hired, but it will take time to train these personnel in radioactive material inspection techniques.

In the area of technical quality of inspections, the team delivered a finding of unsatisfactory. Although we did not agree with many of the particulars of this finding, we have taken several measures to understand the viewpoint of the team, and to make performance improvements in this area. The Division sent 24 inspectors to the "Inspecting for Performance-Materials Version" class in February 2001 at full cost for tuition and per diem expenses. We sent 9 staff members to the "Inspection Procedures" class in March 2001. We have 8 staff members attending the "Root

STP-006 Template  
RDS DIST. SP06

Mr. Dennis Sollenberger  
March 26, 2001  
Page 2

Cause and Incident Investigation" course in March 2001. We have 5 staff members currently attending the five-week "Applied Health Physics" course in Oak Ridge. We are also sending two licensing staff members to the SS&D workshop in Boston in April 2001.

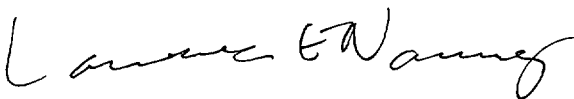
All of these staffing and training expenses have occurred at a time when Tennessee state government is suffering a significant revenue shortfall. These actions demonstrate that the management of the Tennessee Department of Environment and Conservation, as well as that of DRH, are committed to maintaining adequate staffing and providing sufficient training in order to ensure that quality inspections are performed and that licensing actions are conducted by fully qualified individuals.

The Division has scheduled a public hearing for the compatibility-required regulations in April 2001. This rulemaking hearing is one of several currently being planned and conducted. Recently, a hearing was conducted regarding supplemental fees for our licensees and registrants, to address critical revenue needs of DRH. Another is planned regarding changes in our x-ray inspection program. We are aggressively moving these regulations through the State process.

All these measures are being undertaken at a time when personnel changes in three levels of management have occurred. As was documented during the review, all three of these managers had been in their current positions nine months or less. We have been trying to make this transition as smooth as possible, however, meeting our programmatic obligations while at the same time responding to numerous inquiries of the review team and NRC management has frequently been challenging. In addition to the materials program, Tennessee has almost 4700 x-ray registrants to regulate. We handle over 150 reported incidents involving radiation each year. We also monitor the environment at three NRC-licensed facilities and participate in emergency response drills at these facilities. We monitor the environment and participate in annual emergency response drills with the facilities at the U. S. Department of Energy's Oak Ridge Reservation. We are contracted to the U. S. Food and Drug Administration to perform MQSA inspections, as well as other compliance inspections, for them. Tennessee has a unique and diverse radiological health program, and we intend that it remain a quality program. We are committed, as we believe our recent history well documents, to making whatever changes may prove to be necessary to continue the program improvements which are underway.

If you have any questions, please contact me at (615) 532-0360.

Sincerely,



Lawrence E. Nanney  
Director

**Program Improvement Plan:**

Overall Management Commitments:

What is being done differently to prevent a reoccurrence?

Changes in management ensure better communication between the Manager and the field staff; tracking of inspections and letters by the Central Office.

Changes in responsibility / accountability

New I&E Manager as of October 1, 2000.

Changes in staff support

(Responses to Specific Recommendations should be addressed as part of the discussion)

I&E Program to include incidents and allegations:

Dec 2000 meetings: What was discussed in meetings? Minutes or summary?

Need for increased communication with I&E Manager and field staff; procedural changes; better documentation in inspection reports; increased training, both formal and OJT; consistency in inspection procedures between field offices.

What information is being provided to I&E manager on a monthly basis?

The quarterly due / overdue list is provided to the Manager and the field staff. Inspections are reported to the Manager on a monthly basis. Inspection letters requiring the review of the Manager are forwarded as they are written.

Inspections due

65 remain due as of March 31, 2000.

Inspections conducted

60 done from January 1, 2001 to March 23, 2000.

Inspections overdue / by how much / when to be conducted?

Of the original overdue list, only 4 remain to be inspected, two of which will be done by March 31, 2001 and the other two by April 30, 2001. Twenty-seven (27) are overdue as of March 31, 2000 — 9 of those are out-of-state licensees. Sixteen of the other eighteen will be completed by April 30.

What results have been observed in performance?

How are actions being tracked while new system is developed?

Manually and by the in-house computer system.

Items needed for Compatibility:

Regulations needed

The 12 rules that we identified in our letter of January 2, 2001, have been through peer review and the public hearing is set for April 23, 2001. The notice of this hearing appeared in the Tennessee Administrative Register this month.

Dates to be adopted

After the hearing, the final rules will undergo review by the Department's legal staff. We will not be able to set a date until that review is completed.

Expected date when program will complete items needed for compatibility

See above.

Other Items:

Training Program Documentation

Establish overall training policy

Draft training policy is under review. Second draft to be sent to staff by March 31, 2001.

Establish qualifications for licensing, inspection, SS&D, others

Qualifications will be addressed in the policy.

Timeline to meet these qualifications

Timelines will be addressed.

SS&D Qualification

All persons conducting principal and concurrent reviews for SS&D registrations will be fully qualified and will have documented authorizations to perform these reviews on file. Two licensing staff will attend the SS&D Workshop the week of April 2, 2001.

ISSUE	STATE RESPONSE	COMPLETION TIME	STATUS
Overall Management Commitment	Not addressed in 01/02/2001 letter		Ongoing
1.(1) Insp. Freq.	Mtg/FOM 12/5-7/00; mon. by I&EM monthly	Ongoing	Ongoing
1.(2) Insp.rpt timely	INSP TRKG SYS dev.	04/01/2001 for SYS developmt, ongoing for perf	Ongoing Manual tracking by I & E Management
1.(3) Filing of repts	Audit file to ensure last 2 yrs info are in the files	07/01/2001	Ongoing
1.(4) Initial Insp based on expiration dates	The system has been corrected to assign initial inspection within 6 mon.	prior to 01/02/2001	Completed.
2. Follow insp proced	Trng for staff thru IFP Mtngs with staff Revision of IP Policy&P	02/13-15/2001 Ongoing 06/01/2001	Completed Ongoing 9 staff attended Insp. Proc. 3/12/01-3/16/01
3. Sup for Insp Findgs	Discussed in Mang Mtg Will be discd in trng	12/2000 TBD	Ongoing
4. Doc for Trng Prog	Initiate Dev. Documentation done	02/01/2001 07/01/2001	Ongoing
5. Trng on TN Insp P	See 2 above	See 2 above	Ongoing
6. Incident Doc	Revised CAI proc./addl guidance Trng on Root Cause	10/2000 TBD	Completed 8 staff will attend Root Cause Course 3/26/01
7. Formal Closure of Incident files	Covered in CAI proc Implementation of CAI	10/2000 Ongoing	Completed Ongoing
8. Superv. review of Allegations	Covered in CAI proc. Implementation of CAI	10/2000 Ongoing	Completed Ongoing
9. Adopt regs	Package of 12 regs to begin process(out of Div) other 6 regs not addressed yet Date for prog compat.	01/31/2001  Not stated Not stated	Package out of Division awaiting scheduled 4/23/01 public hearing
10. SS&D staff quals	Staff will be fully qualified	Not stated	Two staff members will attend SS&D Training 04/02/01