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Subject: Nevada IMPEP Status Update for December 18, 2002 teleconference

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Status Report – December 11, 2002
Nevada IMPEP

I. Status of Materials Inspection Program

Statistics – see table dated December 11, 2002.

Database Revision Status – Reconstruction and verification of the radioactive material license database is near completion. We are awaiting receipt of new additional software to be used to manipulate a database conversion that became necessary since July 2002 after agency IT staff dismantled the computer system, making the database inaccessible. We expect to be able to complete the anticipated questionnaire prior to the March 2003 IMPEP.

At this time, fee invoicing and other automated activities have been restored to automated processes, however, restoration and verification of databases remains ongoing.

These unplanned expenditures have required that expenditure of 25% of the annual operating budget but we remain hopeful that our industry will grow and we can restrain other anticipated expenditures to get through the current fiscal year.

Related future spending including the increased in-state travel by northern staff to southern Nevada will be contingent on new industry fee revenue growth and the outcome of the pending RAM financial audit.

II. Technical Staffing and Training

The September 2002 staff vacancy remains locked in the state hiring freeze despite submitting the justification to release the position 3 months ago.

Negotiations with a past employee previously involved in the radioactive material licensure program did not result in interest to be rehired by the agency. Meanwhile, the "recovery plan" directed by Division management on July 30, 2002 continues with noted reductions in overdue/due inspections. The objective is to reduce overdue/due inspections by March 2003 and eliminate overdue/due inspections by June 30, 2003.

Early indicators from the financial audit of the radioactive materials programs that was initiated by Department of Administration internal auditors suggest that a report by December/January will likely recommend that the program be retained at the state level, with further recommendations to review staffing levels and funding from fees

Also in conjunction with "Status of Materials Inspection" and "Technical Staffing and Training" indicators, the contract with an outside vendor to proceed with assistance to review all radiological fee revenue sources (RAM, X-ray, mammography, etc.) has not progressed as expected to propose increased fees at the January 2003 State Board of Health meeting. We are hopeful that the proposal can be scheduled for the March 2003 meeting.

We have seen no change in the anticipated loss of approximately 22% of the total Section budget by loss of state appropriation support; however, justification is expected to be developed to retain a portion of the general fund support for program activities that can not be directly linked to the NRC Agreement program.

III. Program Elements Required for Compatibility

Despite our previous update that we were near completion, the Nevada Legislative Counsel Bureau staff has advised that they have additional questions to be resolved our proposed regulation text to be adopted for regulation compatibility.

We anticipate wrapping up this review and moving with public workshops, etc. to get the technical rule adoption scheduled with anticipated fee increases at the March 2003 Board of Health meeting.

Meanwhile, staff has referred several selected language texts for STP approval. We are hopeful that the anticipated March adoption of the technical rules will alleviate the need to continue with development of legal binding alternatives by license condition.

Inspection Status Report Table – December 11, 2002
Nevada IMPEP

I. Status of Materials Inspection Program

Pending Inspection Workload Summary as of December 11, 2002

<u>License Category</u>	<u>Applications in review</u>	<u>New licenses not due</u>	<u>Due (>6mo. & < 12 mo. after issue)</u>	<u>Overdue (>12 mo. after issue)</u>
Initial	6	11	2	0
Due >25% overdue				
Priority 1			2	2
Priority 2			1	0
Priority 3			4	8
Total related to IMPEP indicator:			9	10
Priority 5			14	11
Priority 7			1	1
Grand Total:	6	11	24	22

Inspection Backlog Status – Staff continues to pursue overdue/due inspections with intent to reduce the backlog by March 2003 and eliminate the backlog by June 30, 2003 in accordance with the Division inspection recovery plan implemented on July 30, 2002. Current status of the backlog is indicated in the table above. Efforts are underway to reduce/eliminate overdue priority inspections and monitor due priority inspections before they become overdue.