

August 3, 2005

MEMORANDUM TO: Martin J. Virgilio  
Deputy Executive Director for Materials, Research,  
State and Compliance Programs  
Office of the Executive Director for Operations

Karen D. Cyr, General Counsel

Jack R. Strosnider, Director  
Office of Nuclear Material Safety and Safeguards

Paul H. Lohaus, Director  
Office of State and Tribal Programs

FROM: John G. Zabko */RA By Dennis K. Rathbun for/*  
Office of State and Tribal Programs

SUBJECT: August 11, 2005 SPECIAL MRB MEETING

A Special Management Review Board (MRB) meeting to discuss the results of the NRC special program review of the California Agreement State program, conducted on May 24-26, 2005 has been scheduled for **Thursday, August 11, 2005, from 1:00 p.m. to 3:00 p.m. EST, in One White Flint North, Room O-3-B4**. The attached package includes the NRC review team's report (Attachment 1) and an outline of the proposal for the scheduling of the California Follow-up Integrated Materials Performance Evaluation Program (IMPEP) review (Attachment 2). In accordance with Management Directive 5.6, the meeting is open to the public. The agenda for this meeting is attached (Attachment 3)

If you have any questions or need additional information, please feel free to contact me at (301) 415-2308.

Attachments:  
As stated

cc: Steve Collins, IL  
Organization of Agreement  
States Liaison to the MRB

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## **RECOMMENDATION FOR THE SCHEDULING OF THE CALIFORNIA FOLLOW-UP IMPEP REVIEW**

During the August 11, 2005 Special Management Review Board (MRB), a proposal to schedule the California follow-up IMPEP Review for March of 2006 will be presented to the MRB.

California modified its Program Improvement Plan (Plan) and it was received by the NRC on July 14, 2005. The revision to the California Plan was in response to an on-site NRC review of California's implementation of the Plan on May 24-26, 2005. This revised Plan provides completion dates for some of the corrective actions in December 2005. In order to give California management time to complete actions presented in the revised Plan, and to allow the time for the actions to take effect, staff recommends rescheduling the follow-up IMPEP review for March 2006.

The California program was placed on heightened oversight as a result of an April 2004 IMPEP review. A follow-up IMPEP review was scheduled for May 2005. In June 2004, the California program submitted an initial draft of a Plan as part of the heightened oversight process. NRC staff identified a number of concerns with the Plan. From June 2004 to April 2005, NRC staff held bimonthly teleconferences with the California staff to resolve the NRC's concerns about the Plan and to assess California's progress towards completing actions established by the Plan. In April 2005, NRC management requested a special review of California's implementation of the Plan. In addition, the follow-up IMPEP review, scheduled for May 2005, was cancelled.

The on-site special review of California's implementation of the Plan was conducted on May 24-26, 2005 (see Attachment 1). The review team concluded that the Plan was not being utilized as an effective management tool, and corrective actions were not being implemented with direct management oversight. After being briefed on the outcome of the NRC special review, California's senior management committed to modify the Plan so it could be used as a management tool by the program (Plan attached). On July 7, 2005, the California management submitted a revised Plan to the NRC. After review of the revised Plan, staff believes that it has been sufficiently modified to make it a useful tool for the California program to complete its corrective actions.

Staff will continue the bimonthly telephone calls with the Californian staff in accordance with the heightened oversight process, and recommends conducting a follow-up IMPEP review in March 2006.

Attachment:  
July 7, 2005 California Program  
Improvement Plan

**Agenda for Management Review Board Meeting  
August 11, 2005, 1:00 p.m. - 3:00 p.m., O-3-B4**

1. Announcement of Public Meeting to all attendees and request for identification of any members of the public participating in this meeting.
2. MRB Chair convenes meeting. Introduction of MRB members, Agreement State representatives, and other participants.
3. Discussion of California Special Review:  

IMPEP Team Discussion of the Review Findings.
4. MRB Consultation/Comments on Issuance of Report.
5. Discussion of the Scheduling of the California Follow-up IMPEP Review.
6. Adjournment.

Invitees:	Martin Virgilio, EDO	Duncan White, RI
	Paul Lohaus, STP	Linda McLean, RIV
	Jack Strosnider, NMSS	Aaron McCraw, STP
	Karen Cyr, OGC	John Zabko, STP
	Dennis Rathbun, STP	Jennifer Tobin, STP
	Osiris Siurano, STP	Steve Collins, IL
	Edgar Bailey, CA	