



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
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KING OF PRUSSIA, PENNSYLVANIA 19406-1415

October 23, 2006

Beverly O. Hall, Chief
Radiation Protection Section
Division of Environmental Health
Department of Environment & Natural Resources
3825 Barrett Drive
Raleigh, NC 27609-7221

Dear Ms. Hall:

A periodic meeting with the North Carolina Radiation Protection Section was held on August 23, 2006. The purpose of the meeting was to review and discuss the status of the North Carolina Agreement State program. The NRC was represented by William Rautzen from the NRC's Office of State and Tribal Programs and me. Specific topics and issues of importance discussed at the meeting included the reorganization of the Section and the Section's actions in response to the recommendations from the 2004 Integrated Materials Performance Evaluation Program review.

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 discussions, or have any additional remarks about the meeting in general, please contact me at (610) 337-5042 or by e-mail at adw@nrc.gov to discuss your concerns.

Thank you for your cooperation.

Sincerely,

Original signed by Duncan White

Duncan White, CHP
Regional State Agreements Officer
Division of Nuclear Materials Safety

Enclosure: As stated

cc:
W. Rautzen, MSSA
L. Cox, North Carolina

B. Hall
North Carolina Radiation Protection Section

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AGREEMENT STATE PERIODIC MEETING SUMMARY FOR NORTH CAROLINA RADIATION PROTECTION SECTION

DATE OF MEETING: August 23, 2006

ATTENDEES:

Duncan White, RSAO

Bill Rautzen, ASPO

Lee Cox, Supervisor, Radioactive Materials Branch

Beverly Hall, Chief, Radiation Protection Section

DISCUSSION:

A. IMPEP Recommendations

There were two recommendations from the last Integrated Materials Performance Evaluation Program (IMPEP) review of the North Carolina Agreement State program that occurred August 16-20, 2004

1. The review team recommends that the Branch develop and implement a reliable and comprehensive licensing and inspection, and SS&D product evaluation database that serves as an effective planning, tracking and management tool.

Current Status: The Branch has revised and updated both the licensing and inspection and the SS&D databases. The databases are able to generate the information needed to serve as effective management tools. It is recommended that this item be verified at the next review.

2. The review team recommends that the Branch assess their licensing quality control process and tools to improve accuracy and consistency of licensing actions.

Current Status: The Branch has implemented a quality assurance/quality control program to improve the quality and consistency of the licensing actions. These include templates for individual license types and a single set of license conditions. It is recommended that this item be verified at the next review.

B. Program Status

Earlier this year, the Branch was reorganized to address the need for staff in order to meet increased responsibilities. Overall, the Branch has an additional 2.5 FTEs. Incident response activities are now part of the Branch since most incidents are related to radioactive materials. Staff assignments were also realigned with separation of licensing, incident response and inspection responsibilities. Two individuals are now home-based inspectors, another two individuals work out of the Raleigh office on inspection and licensing and yet another two individuals are assigned licensing, regulations and sealed source and device (SS&D) evaluations. One individual is assigned as a waste coordinator and another individual is assigned as incident coordinator and lead on security inspections. These individuals have been participating in two year programs of Certified Public Management and Masters of Arts program in Security Studies (Homeland Security and Defense) from the Naval Post Graduate School in Monterey, California respectively which has consumed a significant amount of time. Both

individuals will be completing the programs in October 2006 which will allow them to refocus efforts on their lead responsibilities. Another individual is part time with the Branch and assigned the general licensing program. The Branch also includes a supervisor and administrative assistant. The Branch Supervisor indicated the reorganization has worked well since its implementation.

There are currently no vacancies in the Branch. Since the last IMPEP review, one individual left the Branch and that vacancy was filled with a trainee. The Branch found it impossible to recruit a fully trained individual at the low salary offered, so a trainee position was created and filled.

The Branch Supervisor reported that there are no overdue inspections or licensing backlog. The Branch has identified 49 licensees that required inspections for increased controls. The Branch has started the inspections and has planned to increase the number of increased control inspections performed. The Branch anticipates completing the required increased controls inspections by the end of the year. With regard to the protection of sensitive information, the Branch has received feedback from their Attorney General that this information can be protected under State law.

Since the last IMPEP review, NRC staff found 61 events in the Nuclear Materials Events Database (NMED). Twenty six (26) of the events were reportable and all were found to be complete and updated in a timely manner. The Radioactive Materials Supervisor discussed an initiative in 2005 resulting in the simultaneous inspections of all nuclear pharmacies of a particular licensee due to the Branch's concerns over the licensee's rapid expansion in the State and a contamination event at one of their facilities. The initiative was successful in re-focusing the licensee's attention on health and safety issues. There was one allegation referred by Region I to the Branch. NRC staff determined that the State took appropriate action on this matter.

The Branch has processed a number of SS&D requests in 2006. One significant effort was the amendment of all Troxler SS&D registry sheets to increase the leak test frequency from 6 to 12 months. The Branch is also working on two requests for general licensed chemical agent detectors for use by the military. The Branch Supervisor noted that a number of manufacturers and distributors in the State are going out of business and that the Branch needs to be proactive in investigating and ensuring the proper transfer and/or disposal of radioactive material prior to terminating their licensed activities in an orderly fashion.

The Branch is currently working on a number of requests for large and complicated licenses including a commercial panoramic irradiator and new licenses to support the buildup of the fuel cycle operations at Global Nuclear Fuels. With regard to decommissioning, the Branch will be following up on a potential 10 CFR Part 20.304 legacy waste burial issue at North Carolina State. A significant licensing issue that the Bureau is currently evaluating involves a potentially large number of public and private water treatment systems (approximately 90 systems) across the State that are designed to remove uranium and radium from the water to meet the new EPA drinking water standard. One proposed solution for compliance is removal of uranium and radium by anion/cation exchange on resin filter media. The Section is evaluating data and information along with other States agencies to determine, if any, licensing issues could arise with concentrated amounts of uranium and radium on resin media and backwash.

Since the IMPEP review in 2004, there has been no legislative changes. NRC staff reviewed the most recent State Regulation Status (SRS) Sheet dated August 15, 2006 with Branch staff. In the table below, the current status and the State's next action for each RATS ID either not done or partially completed are presented.

RATS ID	Status on SRS Sheet	Current Status	Next Actions
1998-4	No action	2004 IMPEP report indicated draft version reviewed by NRC	NRC will determine if the draft and/or final version of the amendment was submitted for NRC review.
2002-2	No action	Branch currently working with advisory group on drafting regulations	Start administrative process to adopt regulations in January 2007
2004-1	No action	No activity	Branch will start work on drafting regulations at a later date
2005-1	No action	No activity	Branch will start work on drafting regulations at a later date
2005-2	No action	Branch currently working with advisory group on drafting regulations	Start administrative process to adopt regulations in January 2007
2006-1	No action	No activity	Branch will start work on drafting regulations at a later date

C. Other Discussion Topics

The Branch indicated that their strengths included licensing, timely completion of SS&D evaluations and the regionalization of their inspection and incident response activities. Challenges for the program include recruiting qualified personnel due to low salaries, the implementation of the increased controls, continued need to upgrade and automate the inspection documentation process and improve the effectiveness of the general license registration program.

In terms of feedback, the Branch had positive experiences with the NRC on the coordination of the new irradiator application with NMSS and NSIR, the useful and applicability of NMED and communications with the Region and STP on incidents. The Branch had a number of comments where the NRC's performance could have been better. These included the lack of timeliness (two years) for the NRC to reach a decision on the North Carolina State irradiator/research reactor issue, the onslaught of requests and mandates (particularly increased controls) and its impact on State resources, the confusion exhibited by NRC in implementing the pre-licensing review and the lack of knowledge and understanding exhibited by the NRC of the 1997 compatibility policy during the NARM rulemaking process.

NRC staff described the current status of NRC's security initiatives involving material licensees, changes in the Commission and new Chairman, management changes at the Region and headquarters, current status of NRC's activities with regard to the Energy Policy Act, proposed reorganizations of NMSS, STP and NRR, transfer of Mississippi to Region IV, and status of States pursuing Agreement State status.

D. Conclusions

NRC staff concluded that the next IMPEP review should be conducted as scheduled in FY 2008. Section and Branch management was invited to participate when NRC staff presents the results of this periodic meeting to the MRB. No specific actions were identified as a result of this meeting.