

**FTS-NUCLEAR REGULATORY COMMISSION**

**Moderator: Karen Meyer  
September 13, 2010  
2:00 pm CT**

Coordinator: This is the Operator. I'd like to inform parties this call is now being recorded. If you have any objections please disconnect at this time.

Thank you, ma'am, you may begin. Please press star 0 for further assistance.

Monica Orendi: Thank you. Okay, hearing no other public participation I am going to go ahead and turn this meeting over to Mr. Weber.

Michael Weber: Good afternoon. My name is Michael Weber. I want to welcome all the participants both here in Rockville and those on the telephone and in video. Appreciate your participation in this meeting.

We're meeting in a Special Management Review Board Meeting today to consider the Integrated Materials Performance Evaluation Program Self-Assessment. The MRB will make an overall assessment of the self-assessment findings, the recommendations; provide guidance back to the Director of FSME, the Federal and State Materials and Environmental Management Program Office here at the NRC.

At this point I'd like to introduce the members of the Management Review Board and I'll chair the Board and it also includes Brad Jones, the Director of - excuse me, Assistant General Counsel of the Office of General Counsel at the NRC, Cindy Carpenter who's the Deputy Director of the Office of Federal and State Materials and Environmental Management Program.

We have representatives from each of our three regional offices with Significant Materials Program and that includes (Dave Lu) who's the acting Deputy RA in Region 1, Steve Reynolds here from our Region 3 office and Art Howell from our Region 4 office.

And we're also pleased to have Michael Snee who is the Organization for Agreement State Liaison from the Great State of Ohio.

And now for the Self-Assessment team which was led by George Pangburn who was formerly the Deputy Director of FSME at the NRC. George, could you introduce your team members please?

George Pangburn: I can. The team included Cindy Cardwell of Texas, now joining the ranks of the retired, Earl Fordham of Washington, Bryan Parker of Region 1, and George Deegan of FSME.

I can't speak with authority as to who's on the phone at the moment but I believe George is right behind me here so.

George Deegan: Got your back.

George Pangburn: Yep.

Michael Weber: Unless the team or the MRB members have an alternative preference I would suggest that the MRB would benefit from an overview of the self-assessment both the task and the approach as well as a review one by one of the recommendations and the findings from the team. I know when you presented this George at the OAS Annual Meeting you summarized in highlights.

But I think for the purposes of organizing our discussion...

George Pangburn: Okay.

Michael Weber: ...this afternoon it would be productive to go item by item. The MRB members have had the opportunity to review the assessment having received it back in the middle of August and that includes both the recommendations and the findings.

So we're generally familiar with the content of the self-assessment but your overview will be beneficial for the Board in highlighting aspects of the report that we wish to call for.

And I'll also note that we have scheduled two hours for the presentation and discussion of the self-assessment. Given the significance of the IMPEP Program to the nation and also to afford a thorough consideration of the recommendations and findings, if we cannot complete the MRB discussion today I would suggest we consider scheduling a follow-on session so we don't rush the discussion and give thorough consideration to the recommendations and findings.

So want to...

Robert Lewis: Want to go around the room?

Michael Weber: Sure. Why don't we go around the room?

Take it (Rob).

Robert Lewis: (Rob) Lewis of FSME.

Monica Orendi: Monica Orendi, FSME.

Steven Reynolds: Steve Reynolds from the NRC's Region 3 office.

Cindy Carpenter: Cindy Carpenter from FSME.

Michael Snee: Michael Snee from the State of Ohio.

George Pangburn: George Pangburn, FSME.

Brad Jones: Brad Jones, OGC.

Art Howell: Art Howell, Region 4.

(Miller): (Miller), FSME.

Kathy Schneider: Kathy Schneider from FSME.

George Deegan: George Deegan, FSME.

Steven Poy: (Steven Poy), FSME.

John Kinneman: John Kinneman Region 1.

Joan Olmstead: Joan Olmstead, OGC.

Dennis Sollenberger: Dennis Sollenberger, FSME.

Monica Orendi: Region 1?

Dave Lew: Yes. This is Dave Lew in Region 1.

Judy Joustra : Judy Joustra, Region 1.

Marie Miller: Marie Miller, Region 1.

Donna Janda: Donna Janda, Region 1.

Michelle Beardsley: And Michelle Beardsley, FSME.

Monica Orendi: Representing Region 3.

Aaron McCraw: Aaron McCraw, former IMPEP Project Manager.

Monica Orendi: Anybody else from Region 4.

Chuck Cain: Chuck Cain on the line for Region 4.

Janine Katanic: Janine Katanic, FSME.

Monica Orendi: Pennsylvania, do you want to introduce yourselves?

Ben Seiber: Ben Seiber, Pennsylvania.

Monica Orendi: They must have dropped off.

And anybody else I may have missed?

Torre Taylor: Torre Taylor, FSME.

Monica Orendi: I believe that's it.

Michael Weber: Okay, George, do you want to take it from there?

George Pangburn: Okay, just one question as a matter of order, would you like me to go through the findings and recommendations and then take questions at the end? You want to do it and either way?

Michael Weber: I would suggest we go item by item because it'll be more orderly that way.

George Pangburn: Okay.

Michael Weber: That way it'll be fresh in our minds as we discuss the topic, if that suits the purposes of order. Okay.

George Pangburn: Okay. Well thanks for having me here today to talk about the self-assessment.

And what I'll try to do in this is provide an overview of what our tasking was, who was on the team which I mentioned already, how we approach the task, what we found and our recommendations.

Now this was an experienced team. Individuals that I mentioned brought a lot of experience to it and that was very helpful.

This effort began with the March, 2009 report from the Inspector General Audited Agreement State Program. And the objective of that audit was to assess NRC's oversight of the adequacy and compatibility of Agreement State Programs.

It focused - the audit focused on IMPEP as well as other aspects of the Agreement State Program. OIG made four findings one of which was management does not effectively monitor IMPEP operational issues.

And they also made a number of recommendations the first of which was for NRC to develop a mechanism for conducting self-assessments and capturing lessons learned on a regular basis.

The last formal self-assessment of IMPEP was conducted in 2002 by a working group which issued its report and recommendations for improving the program.

And in light of the OIG recommendation and the length of time since the last self-assessment NRC concluded the time was right to conduct one.

Our tasking with this self-assessment was twofold. One, to actually do the assessment and secondly, to develop a mechanism for doing them in the future including capturing lessons learned on a regular basis.

In early 2010 we took the initial steps to develop a charter, reach out to OAS and CRCPD leadership as well as the NRC regions to pull together a team.

The charter was shared with OAS and CRCPD and in addition to providing names to serve on the team they provided the comments and suggestions on the charter as well.

We first met in March of 2010 to revise the charter, discuss the approach we would take and agree on how the work would be done. The charter that we agreed upon contained ten tasks and I will - I can walk through those real quickly and then we'll get into other things.

The first was to evaluate program performance since the last working group report in 2002 to see if changes are needed including changes to the existing performance indicators, the frequency of reviews, the depth of the reviews and so on.

To look at the effectiveness of between IMPEP interaction such as the periodic meeting process and heightened oversight; to assess how individuals are selected for IMPEP and the training that they receive.

To evaluate the documentation of the program to assure it's adequate.

Identify areas that should be considered for specific examination during IMPEP reviews based on their experience to date.

To assess the current roles and responsibilities of those involved in IMPEP.

To evaluate whether additional NRC headquarter functions should be included under the umbrella of IMPEP in the future.

To determine how and when future self-assessment should be done and develop a procedure for doing them; to review the 2002 Working Group

Report to see if there are any unaddressed recommendations; and finally to observe three IMPEP teams in the field and assess their performance.

To address those ten tasks we did the following things. We of course reviewed the OIG Report. We scheduled and conducted interviews of more than 25 stakeholders representing state NRC regions and headquarters. We reviewed the program guidance and procedures. We reviewed a number of IMPEP Reports and related documentation. Audited the 2010 IMPEP Training Course in Orlando, Florida and observed IMPEP teams in the field in Texas, Region 1 and Alabama.

We also attended the OAS Executive Board Meeting in Kansas City to discuss comments received on the charter and provide them with an update on the team's activities at that time.

The activities of the team after we initially organized in March were conducted in April and May and we met again at the end of May in Austin, Texas to discuss the results of our efforts and to come to consensus on findings and recommendations.

Findings and recommendations of the report reflect the consensus view of the team based on the activities that I just described a moment ago as well as professional experience and judgment of the team members.

We do appreciate the time of those who agreed to be interviewed by the team. We talked to a cross section of agreement states and NRC management and staff who have had direct and substantive involvement with the program over the years and their views were invaluable to us in doing our work.

I think the fundamental finding of the self-assessment was that IMPEP remains fundamentally sound. There was a clear consensus among the team members and the stakeholders that we interviewed that the program is effective, fair and consistent in assessing the performance of Agreement State and Regional Materials Programs.

And in addition stakeholders also offered the view that the results of IMPEP reviews frequently benefit their programs by one, providing an independent assessment of their programs provided, excuse me, by a team comprised of experienced NRC and Agreement State individuals and two, raising the visibility of their programs within state government.

That said, many of the stakeholders and the team members felt the program could be made more efficient and effective. In that regard the team made a total of 15 recommendations to do just that.

Those recommendations were listed as either substantive of which there were eight or enhancements which there were seven. The former having budget or policy implications and the latter being more operational in nature.

So with that I'll begin and walk through the recommendations and probably the easiest thing to do if you have the report in front of you is go to the Executive Summary.

Michael Weber: Could I just interrupt you a second?

George Pangburn: Sure.

Michael Weber: Is there any comments or questions from the Board members on the approach or the staff? You know, (Brad) do you have anything? Cindy?

Cindy Carpenter: No.

Michael Weber: No. Steve?

Steven Reynolds: No.

Michael Weber: Dave Lew?

Dave Lew: No.

Michael Weber: Art?

Art Howell: No.

Michael Weber: Mike.

Michael Snee: No. No comment.

Robert Lewis: OIG Report (unintelligible).

Michael Weber: Right.

Robert Lewis: One of their recommendations was to provide applicable procedures to include the view of Agreement State's events that's not recorded (unintelligible).

Was that looked at during this review at all?

George Pangburn: We did observe what the teams were doing with respect to NMED in the field but that particular recommendation is different from this one.

Michael Weber: How did we handle that?

George Pangburn: I believe there was a resolution for each of the recommendations and we prepared responses back to the OIG...

Michael Weber: Staff, the NRC staff.

George Pangburn: Yeah and correct me if I'm wrong, (Rob).

Robert Lewis: I believe that recommendation is still open. In the next update of all of the OIG - all five recommendations will be given a progress report.

But we did accept that recommendation. We will be doing something about that but the procedures aren't rewritten yet.

Mike Weber: I had a question. In your interviews, did you interview principally managers of the regional and Agreement State Programs or did we try to do any kind of cross cut to include staff members that might have a different view?

George Pangburn: Principally we interviewed managers. We did interview some staff in the regions. We interviewed State Agreement officers and the IMPEP Product Manager. Our thinking on that was we wanted to have individuals who had been involved in IMPEP for, you know, two or three IMPEPs.

And the downside of going to staff to do formal structured interviews is that you may or may not be personally affected. I mean your inspection or your licensing case may or may not get picked up.

So your experience with it is, you know, it's hard to say whether they would be able to do that.

We did have conversations with individuals as we went through it and we also interviewed four people who had gone through the IMPEP training in Orlando to get a sense of, you know, did it meet your expectations and secondly, did it prepare you to look at your particular indicator. Did you understand how IMPEP was going to work and did you have what you needed to do once you got out and were onsite.

So by and large it was a conscious decision to look at this from the standpoint of managers who had been involved with it over a number of cycles.

Michael Weber: Any other questions or comments or should we move onto the recommendations and findings?

Great.

George Pangburn: Okay. The first recommendation was that we recommended that IMPEP review of increased controls, NSTS and other aspects of security that are currently addressed under temporary instruction, TI-002, be integrated into the existing common performance indicators through modification of management directive 5.6 and the associated SA procedures for implementation of IMPEP.

We felt that the existing set of the common performance indicators remains effective and that no new indicators are needed at this time.

Michael Weber: Brad any questions or comments?

Art?

Dave Lew

Dave Lew: No questions.

Michael Weber: All right, Steve?

Steven Reynolds: I guess I would have one. NSTS I guess we - maybe I'm just turn it over to the Program Office. What would IMPEP Team look at from NSTS?

George Pangburn: That's a good question. Yeah, as a general matter, it would probably be determined, you know, by the program office developing the specific modifications.

But, you know, I think just the overall sweep of NSTS as well as these other aspects of security probably needs to be looked at.

Steven Reynolds: I understand increased controls and then maybe some of the other safeguard's orders looking at how well did the regions or the Agreement States implement the inspection. I can vision that because that's just like the other health and safety.

But NSTS is - well I'm not the licensee and I don't - unless you're going to look at the inspection piece of NSTS but that's a small piece. I'm not sure what you gain out of. Yeah.

Robert Lewis: If I could jump in. From the program office's point of view the idea of putting that in the charter was just what you're getting at. It was - are the current

indicators sufficient to reflect all of the new things we do one, of which is NSTS.

And the team said yes. And in many respects whether a licensee complies with NSTS will - and the team's recommendations is just treat that like any other regulation. And follow-up on events of noncompliance with NSTS and check NSTS is part of routine inspections.

So from that point of view I think the team's finding is very consistent with all aspects of the program.

But we did ask the team to look at whether new indicators would be warranted for example for IT infrastructure. You know should we have a programmatic review from - through IMPEP of everybody has a common IT infrastructure from which to build.

And the team concluded no, that it wasn't necessary.

Steven Reynolds: So if I play this out, we see that the regions and Agreement States will have to track how - you know each time and how they're doing NSTS inspections. And I'm not sure that's being acceptably today.

Michael Weber: Yeah, let me clarify something. When you listed these features were you listing these as examples of the kind of security compound...

((Crosstalk))

George Pangburn: It was intended to be as an example. You know...

Michael Weber: Not that...

George Pangburn: ...of the sweep of things, you know, and again when we go through the process of developing the change of 5.6 and the procedures we may or may not include NSTS as part of that. I wasn't clear on that point.

But, you know, this is the scope of things that have changed since 2002.

Steven Reynolds: I would agree with you there.

Michael Weber: Yeah.

Steven Reynolds: Well maybe more.

Michael Weber: So you may not actually see something on NSTS in the revised management directive.

George Pangburn: Right.

Man: But it could be very well a licensing portion rather than the inspection to ensure that new licensees are (unintelligible) the way I see it (unintelligible) licensing (unintelligible).

Steven Reynolds: I guess I'll just end my view. The concept - I totally agree with a lot of the new stuff in the security area. We should probably look at including an IMPEP. I guess, you know, I'm worried about - need to worry about how it's gets implemented and what makes sense. And if the regions or the Agreement States have to do something extra to make sure it's trackable or auditable I have no problem with that. It's to how we do that.

Michael Weber: Yeah. Okay, so that's kind of yet to be determined, how and whether...

Steven Reynolds: I'm okay with the recommendation.

Michael Weber: Okay, Cindy?

Cindy Carpenter: I have no questions.

Michael Weber: (Mike)?

Michael Snee: I think it's a good recommendation. I will say that it has to be performance based with inspectors (unintelligible).

George Pangburn: And that was a large measure. Our thinking on this was to incorporate it within the suite of the existing indicators so that we keep that performance focus on it.

Michael Weber: At one point was there an indicator on organization in...?

George Pangburn: Not in my lifetime associated with IMPEP.

Man: Well you could go back to the beginning, right?

George Pangburn: It was prior to that under the previous set of indicators. Is it 30 some?

Kathleen Schneider: Yeah, it was 30 plus indicators prior to that. And there was (unintelligible).

Michael Weber: Did that come up at all in your interviews with the folks at IMPEP?

George Pangburn: Did what come up?

Michael Weber: Bringing back some indicators that we previously had or people seemed pretty content with the range that currently exists?

George Pangburn: No. I think people were content with those. The existing set of indicators. They're predictable. They're adequate to cover the performance issues. They provide flexibility.

And there was - no one mentioned the organization. That - nobody mentioned that in there. I'm not - that was again in the previous set of them.

But I think by and large both the Agreement States and regional stakeholders felt that, you know, the five indicators we have remain the five that we ought to be looking at.

Michael Weber: With some modification to reflect the...

George Pangburn: With some modification of course. Yeah.

Michael Weber: ...facts of life change.

Cindy Carpenter: Change of policy here.

George Pangburn: But what I'm talking about the six indicators.

Michael Weber: Right.

George Pangburn: Or going to four indicators, the five will work with some modification.

Michael Weber: Okay, any other discussion on recommendation one?

Cindy Carpenter: No.

Michael Weber: All right, let's continue.

Robert Lewis: Can I interrupt?

Michael Weber: Certainly.

Robert Lewis: A process question. Since we have a unique MRB here we're a little out of the process. In a good way, I think it's great that we brought this report to the MRB.

But in terms of moving forward is it the MRB's intent perhaps to agree with or modify each recommendation? If the MRB were to do so I think that the Program Office would then have a good basis to take an action item to update a procedure or whatever it may be without a separate tasking.

You know the benefit of the MRB I think once is we have all the decision makers in the room at once we wouldn't have to parse out obtaining direction.

So I would suggest that the MRB approve or not approve but agree with or agree with modifications to each recommendation and then we'll just have that as a record of the management's decision of how to move forward.

Michael Weber: Yeah, I think that's primarily consistent with what I offered in the beginning. As I understand existing organizational structure FSME has got responsibility for the IMPEP Program.

So I saw the role of the MRB as providing advice back to FSME. If the Board doesn't object to the recommendation or endorses the recommendation then, you know, it'll ultimately come back to FSME to figure out can this be implemented, and if so how can that step be done?

I wouldn't propose that the MRB sort out those levels of detail. And I also think the Director of FSME has to have some flexibility as you dive into these matters to say wait a minute. That's not quite what we had in mind.

And or it won't work the way it's been recommended when you actually go through and you come up with implementing procedures.

So I think FSME has to have some flexibility so I saw the MRB Meeting today as primarily providing guidance back to FSME from the Board on recommendations and findings.

Does that...?

Robert Lewis: Yes sir. I just interjected because no guidance was given on the recommendation. There was just a couple of questions and then we moved onto the next recommendation so I would ask does the MRB agree with that recommendation?

Michael Weber: Okay.

Robert Lewis: Yeah.

Michael Weber: So do you want to go around? Brad?

Brad Jones: Yes.

Michael Weber: Art?

Art Howell: Yes.

Michael Weber: Dave?

Dave Lew: Yes, I agree.

Michael Weber: Okay. Steve?

Steven Reynolds: Yes.

Michael Weber: Cindy?

Cindy Carpenter: Yes.

Michael Weber: Mike?

Michael Snee: Yeah.

Michael Weber: Okay, I agree. Good clarification. Thanks (Rob).

George Pangburn: Okay. We talked a lot about reciprocity in the inspections, subject near and dear to the heart of many and the regions and the states.

And we talked about it at some length because often times it's difficult for them to meet the 20% requirement that's contained within the manual chapter and IMPEP procedures and 5.6. It can be resource intensive. And depending on your point of view it may not be performance-based.

So we looked hard at that to say are there alternatives to that that can perhaps get us to a more performance-based approach. We came up with two options. Rather than simply say don't do this or keep doing it but rather to say that one option would be to simply reduce the percentage from the current 20% of candidate licensees that are operating under reciprocity in a given year to 5%.

And that reflects some work that came out of a report a couple years ago that was prepared by (Bob Kitone) that noted that, you know, we've already - we did an incremental reduction in reciprocity in the early 2000 timeframe. And that group took a look at it and said look it continues to be difficult to locate these licensees. The cost of travel was high. And there are other ways to evaluate licensee programs.

And they took a look at it in comparing reciprocity licensees to NRC licensees operating at temporary job sites to determine that based on operational data those licensee - the NRC licensees actually had more violations than people who were operating under reciprocity.

Long story short the working group recommended reducing it from 20 to 5. So that's one option.

The second would be to simply eliminate 20% criteria in its entirety and replace it with a requirement that when a licensee authority receives a request to operate under reciprocity, they would make contact with the home region or Agreement State for that licensee to get information on recent events, significant violation, escalated enforcement, all of which would inform a performance-based judgment on whether to go out and do an inspection.

And those were the two options that we come up with. So our recommendation was, you know, considering those two, the treatment of reciprocity be made more performance-based and that the current 20% requirement be removed from IMPEP along with the corresponding changes for the manual chapters that are indicated.

Michael Weber: Brad?

Brad Jones: Yeah, a couple questions. So in the alternative you're talking about for each notice of reciprocity they get, contacting the home licensing authority.

George Pangburn: That's correct.

Brad Jones: Isn't that more resource intensive than...?

George Pangburn: It's a phone call versus a trip to the field.

Michael Weber: Just ballpark, how many of these things...?

Brad Jones: Yeah.

Michael Weber: ...would there be?

George Pangburn: I don't have an answer for that.

Michael Weber: Hundred per state, region?

Michael Snee: Well in Ohio we will get 50 reciprocity applications in December. That would be for the next year and then maybe another 30 through the course of a year.

Many of those we know. They have reciprocities every year for the past (ten) years. We know them as well as we know our own licensees.

Art Howell: Hey (Chuck). This is Art Howell.

I think those numbers that were just discussed are fairly consistent with ours. I think it's anywhere of dozens late in the year, before the new year starts and then throughout the year maybe a smaller number less than, you know, maybe (unintelligible) somewhere in that range.

Michael Weber: Is that right Chuck Cain.

Chuck Cain: Yeah. In fact well in some years we've had several hundred reciprocity inspections. And I might also interject that over the years we've actually conducted more inspections under the 20% rule of Agreement State licensees at temporary job sites than we did of our own licensees operating at temporary job sites which was of course artificiality of that program.

Michael Weber: And one of our challenges just to echo George's point is that much of that occurs in offshore federal water so there's a lot of variables there on whether or not you're actually going to have an opportunity to inspect.

George Pangburn: Well that was part of the benefit of giving you two options here. You know if that one which has some attraction. Cindy Cardwell I think was particularly supportive of the second option. But the first option is one that we developed a little bit later in the process and appears to provide some additional flexibility. It stays within the paradigm we're currently in but could make it much less resource intensive.

But that's an implementation detail I think.

Michael Weber: Okay, Brad back to you.

Brad Jones: And did you think of rather than moving it completely putting a range so that there would be a minimum expectation but then they could have a program to adjust it up based on their knowledge of these licensees?

George Pangburn: Did we think about - actually we hadn't considered that. But that's certainly, you know, a possibility.

Brad Jones: I mean if the...

George Pangburn: You're talking about the second option of making...

((Crosstalk))

Brad Jones: Well even if you're going to make it performance-based...

George Pangburn: Yeah.

Brad Jones: ...you might want to still have a minimum amount of inspections so make it, you know, 5 to 20% but pick where you are in that range based on some kind of performance.

George Pangburn: That kind of gets you back to the first option which is take the 5%.

Cindy Carpenter: Yeah, this is Cindy. I just weigh-in. I'm thinking the same as Brad. You know I understand it's performance-based and we know that, you know, essentially the program will decide it.

But allowing perhaps none, I mean if we - if every time we get like a reciprocity phone call and we just say we'll just make a phone call you could end up with a situation where some states are doing none.

And is that really the - and these are temporary job sites. In just the back of my mind I'm worrying more about the temporary job sites than I do the permanent places.

So I can - you know Brad's idea about the range appeals to me also so that there's some minimum, some nominal number that is done but then it's a judgment call based upon the licensees and how well you know them and...

Michael Weber: Any other questions Brad?

Brad Jones: No. That's all I had.

Michael Weber: Art?

Art Howell: No, other than - the only other comment I would make is that one of the things that we have explored is to, you know, if there were some concern about performing a minimum number of inspections, and of course that's - there's so many variables, it's hard to guarantee that minimum.

So one of the things that we had kicked around was that well you could have a minimum with perhaps a tracking of number of attempts that was made so that there was at least some indication of a good faith effort that we were trying to conduct these inspections.

And I don't have the solution. But I do agree with the notion that it's very difficult to guarantee a minimum percentage when you don't know if the

activity is going to be performed when you actually go out and do the inspections.

Michael Weber: Dave?

Dave Lew: Yes. And I guess just a question more along with the lines of the minimum as well, the first option, 5%.

Do we believe that based on the current offering and securing the data that they didn't know about a 5% number was supported?

George Pangburn: This is George.

Dave Lew: But let's (unintelligible) at this point is with an issue with the cost constraints, travel constraints and I think there's also the other balance of it in terms of what are the state issues that are occurring propose a or a minimum option that there is some basis for which we provide to say hey this is the lower end of the threshold. And that's consistent with policy on a quarter basis.

George Pangburn: The team that had looked at this, this is George (Dave), the team that had looked at this had focused on as I mentioned operational data, a number of significant events and that's what led to the conclusion to go from 20 to 5.

So I think there is some basic operational experience data albeit a couple of years old but not that old where 5% would appear to be defensible and would probably result in resource savings for a number of folks involved.

Dave Lew: Thanks George.

George Pangburn: Yep.

Dave Lew: And I guess the other question that we have is when we talk about performance-based, I guess there's probably an implication as well that there would be some option that there'd be some consistent guidance to determine performance-based and what the thresholds attribute to.

George Pangburn: The only difficulty if we - is we make this more complicated than need be on - in my own view. And I think one of the things we'll try to get to is can we give ourselves a sense of assurance, a safety without making the means by which we get there so (busitine) that it's hard for people to implement. That was the reason to try and lay this out into one of two indicators.

And I'm sensitive to making the construct more difficult to interpret and to implement but yeah.

Michael Weber: Anything else (Dave)?

Dave Lu: Thank you. No, thank you.

Michael Weber: Okay, Steve.

Steven Reynolds: I like the recommendation. Kind of like ((Mike)) was saying. I like the flexibility going down 5% or so.

And I also if I remember correctly and Aaron McCraw can correct me, but I think it was the State of Iowa where we had an MRB that we gave them a best practice for reaching across the whole regulated community to gain information so I think that's a fantastic recommendation and one that the MRB in the past has said is a best practice.

And Aaron - do I have that correct?

Aaron McCraw: It was the most recent Nevada review.

Steven Reynolds: Oh Nevada, okay. So we ought to look at that because that's a good idea so that's a good idea.

Michael Weber: Okay, Cindy.

Cindy Carpenter: Yeah. I agree. I like the idea of reaching out to the home state. And I like that idea in here.

But I also like the idea of having some minimum floor.

Michael Weber: So what I'm hearing is the combination of...

Cindy Carpenter: A combination.

((Crosstalk))

Steven Reynolds: Yeah.

Michael Weber: ...5% of licensees where you would inspect or 5% where you would reach out to. I'm not sure if I understand that.

Cindy Carpenter: I'm thinking a minimum 5. Some range or some floor where you actually inspect.

Steven Reynolds: And 5 is based on reaching out.

Cindy Carpenter: And then it's performance-based as to what you reach out to. That's my idea.

Man: So it'd be a more informed choice of your 5%.

Steven Reynolds: Yeah depends.

Cindy Carpenter: By difficulty.

((Crosstalk))

Steven Reynolds: Biased sample instead of a random sample.

Michael Weber: (Mike) what do you think?

Michael Snee: I agree. I think the reaching out would be better if reach out to those licensees who have never had reciprocity (unintelligible) or that you never inspected for (unintelligible) two or three years (unintelligible) many years so every year or (unintelligible) last two or three times in the past 7-8 years.

Michael Weber: Questions? Okay.

Michael Snee: You probably have four or five licensees (unintelligible) violations. You know so when they tell them over the phone oh yeah they had two violations (unintelligible) to do with (unintelligible) how it's done (unintelligible) information to you.

Michael Weber: I know later on you're going to get to the team's consideration of IT innovations and the - your point sure sounds like it might be helpful to have if such a system were available for you. You could just post this information and they could access it as they need to, save the time from making the phone call

especially if you have licensees operating in multiple states where you can't solve that here. And obviously there's probably a lot of reasons why that wouldn't make sense. But it might be the kind of IT application that could fit on this case.

My question George is did the team give consideration to what the downside would be if you just worked the reciprocity inspection into those whole mix of inspections that are evaluated?

Was there a sense that these would fall so low in the pecking order that they would just never get addressed as part of the evaluation or the equality and the timeliness of the inspection? Or there had to be reasons why we singled this out at one point and made it a standalone criteria.

George Pangburn: I think part of that there was the history with people operating under reciprocity if you go back into the 90s or so. And we were uncomfortable with that.

Michael Weber: Right.

George Pangburn: And at one time we were inspecting at a rate of 50%. Well we dropped that from 50% and I think it was per priority ones and twos we dropped that from 50% down to 20%.

And what we're seeing here and I'll ask my regional colleagues here or (Mike) to correct me if their experience is different but we saw that, you know, over the intervening years as we've been doing this for awhile and the team when they took a look at it and well we're seeing performance in terms if you measure performance by significant violations, we're seeing

performance by reciprocity licensees its actually better than some of our own licensees operating in temporary job sites.

We did not look at it from the standpoint of this being part of the routine program because reciprocity is such an unusual piece if you will. You don't know what your numbers are going to be in any given year. They can go up high and as we've heard here they can come in at the end of the year. So it's pretty hard to plan around.

Michael Weber: But I mean conceptually one might postulate that you could include the reciprocity inspections in the total mix of inspections and then some of those are sampled as part of the IMPEP review, right?

George Pangburn: I think that would be awfully hard to do. I mean if I'm thinking mechanically here how would do that because I don't know if I'm the State of Kansas or I'm Region 1, I don't know when somebody is going to appear to perform reciprocity and I may only have a couple days to get to them.

It's if I'm understanding your question it's very hard to make it part of their routine program.

Michael Weber: Yeah. I think the challenge we're having on this one in particular and it comes up later on too is we're actually not talking so much about IMPEP as we are also talking about changes to the program element which...

George Pangburn: Well we do, yeah.

Michael Weber: ...then gets reflected in IMPEP.

George Pangburn: Yeah.

Michael Weber: So I mean at a certain point we'd have to decide how important are reciprocity inspections and make certain that we're in alignment on what that element should be.

And then down the road make certain that IMPEP properly reflects on that earlier decision.

George Pangburn: All right.

Michael Weber: I hear us kind of talking about well we're going to use IMPEP to back - reverse engineer so that we can drive the attention to reciprocity inspections that we think is appropriate. Am I misreading that?

George Pangburn: I guess what we were hearing was it's difficult to meet the goal of 20% because of the nature of the beast.

Michael Weber: Right. But that goal doesn't come out of IMPEP.

George Pangburn: No it does not. But I mean it's codified in IMPEP as well as codified in 1220 and 2800.

Michael Weber: Right.

Cindy Carpenter: Yeah.

Michael Weber: So do we have the cart before the horse? Should we...?

Robert Lewis: Well I think the fair question is (unintelligible) it goes to the purpose of IMPEP is to evaluate the program and the performance of a state or a region.

Michael Weber: Right.

Robert Lewis: And it's a valid question of what does looking at reciprocity inspections whether they do them or not say about the performance of the program.

Michael Weber: Right.

Robert Lewis: And that's a question for the team. And I think the recommendation is as we have it today it could lead you to misleading information about the performance of the program. A very high performing program could get dinged on this factor.

Michael Weber: As we've seen in individual IMPEP reviews.

Robert Lewis: And as we've seen so and even the NRC regions I believe we've, you know, taken a waiver for a year or two on reciprocity because of budgetary issues.

So it's always the first thing on the table to go in an environment of highly competing resources.

So that part of the question I think is very important of how this relates to program performance. I understand your point very well. Should it be part of any program at all was a valid question too.

Michael Weber: Right.

Robert Lewis: It should be taken out. Having a project underway to reevaluate our inspection program might be...

Michael Weber: So should we answer that question for that review first and then go back and look at how it's reflected in IMPEP?

Robert Lewis: Could, we could. We could do it either way frankly because like I said there's enough evidence and enough opinions from the interviews I think to say that many of the people that have been involved in IMPEP a long time believes that this element of this indicator is really not adding value to the program performance. So we have that today in the...

Michael Weber: Okay. All right, so Brad what say ye?

Brad Jones: Not sure what recommendation we have left now?

George Pangburn: Nor am I.

Michael Weber: Well we have Steve's recommendation...

Brad Jones: Yeah.

Michael Weber: ...which is I think a two part if I properly characterize this that you want to make the reciprocity as part of IMPEP, the reciprocity inspection should be more performance-based.

And the current 20% requirement for reciprocity inspection should be removed because its no longer a criteria other than I presume if we implemented this we would still look at how the regional program or the Agreement States used the performance-based process to decide that we did enough reciprocity inspections to have an adequate and compatible program.

George Pangburn: That was the reason - that's the option, other option two or...

Michael Weber: You kind of merged.

George Pangburn: ...option three, yeah.

Michael Weber: Was it an intentional merger, I mean it looked like you addressed both, the performance-based aspect and...

((Crosstalk))

Brad Jones: Yeah, right. Like I guess if we're looking at this as being our view to give me on how to proceed with this, I would agree that there's a problem with the current 20%. We've seen enough IMPEPs where that hadn't been met, that it really isn't an indication of the program. That I would agree that they need to look at how we conduct the reciprocity (for the) IMPEPs, I wouldn't restrict them to this particular recommendation. I would just say that it needs to be looked at for possible revision.

Michael Weber: All right. Art?

Art Howell: I agree with Brad. I think it needs to be assessed for revision. My own personal view is that (unintelligible) other method to gain assurance of (unintelligible).

Michael Weber: Okay (Dave)?

Dave Lew: Yeah, I mean I'm in the same place as well. I think we should form a performance base of whether we want to find (unintelligible).

Michael Weber: Okay Steve?

Steven Reynolds: I agree with what Art said.

Michael Weber: All right, Cindy?

Cindy Carpenter: You know I agree that it should be made more performance-based but, you know, I do think there should be some minimum floor, some kind and some range of some kind.

((Crosstalk))

Michael Weber: Maybe less than 20% but there ought to be some there.

Cindy Carpenter: Absolutely less than 20% but some range there.

Michael Weber: (Mike).

Michael Snee: I also agree.

Michael Weber: Is that sufficient guidance (Rob).

Robert Lewis: Yeah.

Cindy Carpenter: Yeah.

Michael Weber: So it sounds like we're endorsing in large part the recommendation from the team. But giving some flexibility to decide how best to deal with it.

Cindy Carpenter: Right.

Michael Weber: Is that fair?

Rob Lewis: Yeah.

Michael Weber: Okay good. Thanks.

George Pangburn: All right, we next talked about gradations of performance within the indicators. You know there was some concern about how do we recognize high performing organizations.

You know if you think back to when IMPEP was first brought in we thought about going with a level above satisfactory. And that went over not terribly well. The notion of having somebody getting an excellent versus satisfactory I think I'm probably saying that lightly actually.

Cindy Carpenter: Yeah.

George Pangburn: Did not go real well. So but we talked this through as a team here as if, you know, should we be looking at that. How can we consistently - recognize consistently high performing organizations?

We agreed that we don't want to revisit this issue. And many of the stakeholders couldn't have been clearer on that point that coming up with additional gradations would not be helpful.

But could we find a way to recognize those people that have done really well?

We already have a mechanism in place in (SA106) where if somebody gets two consecutive IMPEP findings of sat on everything they get a letter of recognition and, you know, and so forth. We felt we could combine that with

an extension of the IMPEP interval from four years to five years along with a press release but acknowledge the organization's high level performance.

So that was how we dealt with the notion of high performing organizations as well gradation, a very elegant tying together I might add.

Michael Weber: Elegant. All right, Brad questions?

Brad Jones: No questions.

Michael Weber: Art?

Art Howell: No questions.

Michael Weber: Okay, (Dave).

Dave Lew: No questions.

Michael Weber: Oh come on. Steve?

Steven Reynolds: No questions.

Michael Weber: Oh, Cindy?

Cindy Carpenter: I actually agree with George. I think it is very elegant. I like that. I don't like the idea of further degradation. That is too hard to do. But I like the idea of recognizing high performing (unintelligible).

Michael Weber: Okay, all right, (Mike)?

Michael Snee: I agree with the recommendation and that for those Agreement States and regions right now who have met this that you make this retroactive and you automatically...

((Crosstalk))

Man: I like that (Mike).

Michael Snee: Trying to get another year.

Michael Weber: My question George is...

George Pangburn: Yeah.

Michael Weber: ...for those people who have adamant views that we don't want to recognize the top performers, right, and the historical basis for how we got to where we got to, did they - were they presented with this option and did they have an objection to this option?

What I'm trying to avoid is if there are real strong views not to do this...

George Pangburn: Yeah.

Michael Weber: ...that we end up doing it through a different path and then people come back and say well I told you not to do that.

George Pangburn: It was not an option that was presented to them. We were however asking their views about gradations of performance and this was the teams, as I mentioned the teams were sort of finding a way to recognize that high performance but without coming up with a new gradation.

But I think people couldn't have been clearer in the interviews that, you know, we dealt with that once. We didn't think it was a good idea at the time and we probably ought not to go there again.

Michael Weber: So does this go there again...?

George Pangburn: No, I don't think so.

Michael Weber: ...because we're keeping with states...

George Pangburn: That's right.

Michael Weber: ...have three gradations.

George Pangburn: We're staying with the same gradations. And we're already doing something. The only thing we're adding to this, I mean the letter that goes out under (SA1), we're just saying we're going from four to five and...

Duncan White: If I could jump in (Mike), as I recall some of the problems in the early days was with a gradation higher than satisfactory. It was - if we - whatever adjective you pick, outstanding, excellent, whatever that was (unintelligible) people didn't like that. That was the problem back in (unintelligible).

Michael Weber: But aren't we doing that by sending the letter and extending their period of performance?

George Pangburn: I mean we're already doing that at the present time. But it's based on two cycles of sats across the board. So I mean it's - I don't think that we're doing that and...

Man: Let me try to answer this way. Right now if they go higher, they've got all sats two years in a row today.

Man: Two reviews in a row.

Man: Two reviews, yeah, two. And you have other states that don't have that.

Man: Right.

Man: That won't change. You're still going to have them all sats and those other states with one sat that needs improvement. All's we're doing for Ohio, everybody else would take at least five years but the gradation in performance stays the same. There's no gradation in performance. Where the assessment of the performance, they've still got all sats in the other one so we've got that (so you can) put them on the one side or whatever, the gradation still (unintelligible) because of that performance they have in other years. That's how I would look at it.

Cindy Carpenter: I look at - I just want everybody to know what I was thinking. I have another tool in the toolbox basically. So if you've got a state that two satisfactory, which is another layer of saying that's a really good, you know, performance of the program. It's just another program.

George Pangburn: I mean we're - keep in mind we're doing this already. The only thing we're doing is adding the extra year, right, so.

Brad Jones: The only thing I would caution is whether it would change the nature of the second IMPEP when there's one category not satisfactory and the interaction because it'll be - there is an actual...

Man: Could be more...

((Crosstalk))

Brad Jones: ...value. There's a value that is there now as opposed to being just a very neutral evaluation. You're giving a reward if you will for pushing on that one category and it may just change the nature of the actual interaction with the state in that second IMPEP. It may not but we should - I still think we should do this but I think we should watch that it doesn't have that effect.

Michael Weber: Right. So you're in favor of it?

Brad Jones: Yes.

Michael Weber: Art?

Art Howell: Yes.

Michael Weber: (Dave)?

Dave Lew: Oh yes, we're in favor.

Michael Weber: Okay, Steve.

Steven Reynolds: Yes.

Michael Weber: Cindy?

Cindy Carpenter: Yes.

Michael Weber: (Mike).

Michael Snee: Yes.

Michael Weber: Yes. All right, proceed.

George Pangburn: Okay. We talked a lot about information technology and the enhanced use of information - yes.

Woman: Which one, recommendation four?

Michael Weber: But even before you get to four there was the concurrence or review process...

George Pangburn: I'm sorry. I did. Yes.

Michael Weber: ...which the team I understand had no specific recommendations on...

George Pangburn: That's correct.

Michael Weber: ...based on the evaluation. The question that I'll - and this will reflect my limited understanding of what happens behind the scenes. I mean it's great from my perspective because reports double up. We have our MRB and they come back and they get signed out the door.

But as I saw the concern expressed here at how long it takes to go through the process, and the only question I had related to that is the time after the Board and the report goes out the door, and it seems like there's a long period of time between when the Board meets and when the report goes out the door.

And I didn't know if this issue was being raised in regards to that or if it's a more general matter that's being - that was focused on.

George Pangburn: Well we went - as part of our charter we were looking at process.

Michael Weber: Right.

George Pangburn: And in this case we tried to see, you know, was - how were we doing against our metrics. And we started off saying okay, approximately 90% were issued over last five years within 104 days.

So we thought is there a way to tighten that up? And the only way we could see to tighten it up between the time the Board had met as we're doing here and report going out the door, because the report is essentially locked out at that point.

Michael Weber: Right.

George Pangburn: There are typically surgical changes made. And the only option that we saw would be perhaps to remove some levels of concurrence between when the MRB has met and when the report is signed out.

Michael Weber: But why not do that? Because as you point...

George Pangburn: It won't make much of a practical change.

Michael Weber: Really.

George Pangburn: It won't make...

Michael Weber: It won't save the month between the MRB Meeting and the...

((Crosstalk))

George Pangburn: When you're already - you're at 90%, I mean my point of view is...

Michael Weber: Oh, 90 to 98%.

George Pangburn: I mean could you get a slight increase, possibly. Is there value added by making sure that, you know, everybody who's responsible and the concurrence change is included on that. And we felt it wasn't really worth it.

Michael Weber: Okay.

George Pangburn: That's how we approached it.

Michael Weber: (Rob) were you - did you want to say something?

Robert Lewis: I was going to say, I thought it was only 15 days between the MRB and the final report. And sometimes the MRB indicates changes which the team needs to then go back and put in. It's still a fair question of why it would take 15 days to put a cover letter on it or something but...

Man: I was just thinking...

Robert Lewis: ...I think if we created a separate process for one type of document, we're much more likely to introduce quality problems than if we just threw it in the concurrent process.

You know I'm one - you know I don't even thoroughly read the actual attached report as much as I do other concurrent documents because I know that and Cindy does the same I think because the report is locked in. But so we do find things occasionally in the cover letter or...

Michael Weber: Okay.

Robert Lewis: ...it is serving a purpose today.

Michael Weber: Okay. I just wanted to probe that because I wasn't clear on the summary information. Okay.

George Pangburn: Great. Report formats. We talked about this at some length too. And it seemed to be evenly divided between those who felt there was a lot of boilerplate text and it's really hard to get through and couldn't we use a lot of bullets in the Executive Summary? And others who felt hey wait a second, there's a lot of useful information in here particularly if we're thinking from the standpoint of the public who may not quite if we go to bullets to an enhanced format, we may lose information. We may lose process information. We may lose details about how the team did its work.

So we tried the (Solomon)-like approach and said well...

Michael Weber: Flip the baby.

George Pangburn: ...can we, you know, would it be cruel and unusual punishment to add an Executive Summary at the front of the report to provide a summary of the key parts of the - from the review as well as where they came out on each of the indicators.

And the assess was it would not be expensive to do that. It might provide greater transparency or certainly a high level overview of the report at relatively modest cost.

So we recommended that approach.

Michael Weber: Okay, Brad?

Brad Jones: No questions.

Michael Weber: Art?

Art Howell: No questions.

Michael Weber: (Dave).

Dave Lew: I like the Executive Summary in this report...

((Crosstalk))

Michael Weber: Thank you.

Dave Lew: No questions.

Michael Weber: Steve.

Steven Reynolds: No questions.

Michael Weber: Cindy?

Cindy Carpenter: No, I like the Executive Summary idea even with the (unintelligible) oversight process in (this actual report). They're not only for licensees but (like for) members of the public (and why). And especially in this area where it may only be (unintelligible) want to do. I think (unintelligible).

Michael Weber: (Mike)?

Michael Snee: No questions.

Michael Weber: Brad do you agree?

Brad Jones: Yes.

Michael Weber: Art?

Art Howell: Yes.

Michael Weber: (Dave).

Dave Lew: Yes.

Michael Weber: Okay, Steve?

Steven Reynolds: Yes.

Michael Weber: Cindy?

Cindy Carpenter: Yes.

Michael Weber: (Mike)?

Michael Snee: Yes.

Michael Weber: Yes.

George Pangburn: Okay, recommendation five.

Michael Weber: Wow we got music on that one.

George Pangburn: Not mine.

Cindy Carpenter: Not mine.

George Pangburn: Enhanced use of information technology. We did talk about how IP might be able to help us out in terms of enhancing the overall review process and providing greater information development wise.

And when you go out to these reviews and you're there for the exits or the entrances, you'll see a cart, you know, comes in, (layered) with lots of docket files.

Michael Weber: Entries.

George Pangburn: And having them go out and all sorts of things. Can we in fact do a little bit better?

And said sure, that would be a great idea but the wide variability and the information systems available into the states and this is something we face with web-based licensing as well, you know, may make that difficult to achieve.

We discussed it at some length and felt that probably the best we can do at this point is to continue to encourage states to increase the use of electronic documents to the extent possible and providing as much as possible in the electronic format in advance of the review.

For IMPEP reviews of regions we have a little bit better situation because of (ADAMs) and the new improved (ADAMs) which this goes into play I guess this past weekend that would allow team members to have review documents even in advance of when they're onsite that would allow their time onsite to perhaps be better utilized.

That was the recommendation we had on IP.

Michael Weber: Okay, Brad?

Brad Jones: No questions.

Michael Weber: Art?

Art Howell: No questions.

Michael Weber: (Dave)?

Dave Lew: No questions.

Michael Weber: Steve?

Steven Reynolds: Yeah, I guess I do. I like the recommendation on face value. I'm a little bit hung up on the word encourage because we're going to encourage states to do other things like for NSTS and (ISMP) and stuff like that.

And so what is - where are we in the encouragement threshold on this one, you know, so that yeah, we kind of want to do it or yeah, you got to do it everything or we're not going to play. So I wonder what it stacks in that.

George Pangburn: Small level E.

Steven Reynolds: Yeah, and I think that's what you intended.

George Pangburn: Right.

Steven Reynolds: I just wondered how the states would take that, you know, because they hear we're encouraged and might be better to respond than I am. I just know that if we go forward we're going to ask the states to do more and more and we keep hearing we're asking states to do more and more.

George Pangburn: I mean in some cases it's simply not realistic, you know, to expect everybody to be on the same page...

Steven Reynolds: Yeah.

George Pangburn: ...because we don't have those same systems.

Steven Reynolds: Yeah. So again I agree with your recommendation. I just wondered if we need and maybe (Rob) may be better on this, and how does that word encourage match with other areas where we're encouraging the states to do things, small E or really small E or big E. You know I don't know, that's...

Michael Weber: It's not a requirement.

Steven Reynolds: I know but...

Man: Yeah, well one...

Steven Reynolds: ...like to have your thoughts on those non-requirements that we give those states.

Michael Weber: We can get to (your) question near the end of this since it gives a list of documents. Part of that is action done (unintelligible) get to (unintelligible). My experience (unintelligible) spreadsheet (unintelligible) choosing which files (unintelligible). I'm guessing that just about every state and certainly (unintelligible) regions (unintelligible) information (unintelligible) look at (unintelligible) probably.

George Pangburn: That's kind of where we saw this going.

Michael Weber: Yeah.

George Pangburn: Not so much like web-based licensing language.

Michael Weber: Yeah. Knowing a little bit about that where that's going, that's way down the road. But I think just about everybody (unintelligible) can choose which one.

Man: I think it's doable Steve just from if we could do something simple just like we could ask the team leaders when they have their initial contact with the Program Director to be on the same page about what can just be a link and

what needs to be a printout and the team could do their own special tailored way.

But you know everybody wants the electronic. The team has laptops and they want electronic because the state wants to give it electronic.

Steven Reynolds: Yeah. And like I said I think it's a good idea. I'm just worried about the word or using the word encourage out of context but use a different word.

George Pangburn: We're using encourage.

Steven Reynolds: I know you are.

Michael Weber: Yeah.

Steven Reynolds: And we will continue to encourage you but in a way...

Michael Weber: All right.

Steven Reynolds: ...but I definitely like your commendation, how do we communicate.

Michael Weber: (John).

John Kinneman: Yeah, could I like to just provide some information to the Board?

We did try to make as many documents that were available to the IMPEP team electronically. And I think that was very helpful.

The one thing that becomes a problem is many of our - remember the sunsi process where many of our licenses are nonpublic and having someone who is

a state member to get access to nonpublic parts of (ADAMs) is a difficult process.

And so the process is there but the (accessibility) basically has to get a (145B) or they don't call it (145B) IT clearance in order to allow them to have a password to actually access (ADAM).

So we have a process. And we need to build some of that in if that's what we want to do.

Michael Weber: Cindy?

Cindy Carpenter: No question.

Michael Weber: (Mike), you're okay with the encourage word?

Brad?

Brad Jones: Yes.

Michael Weber: You support the recommendation?

Brad Jones: Yes.

Michael Weber: Art?

Art Howell: Yes.

Michael Weber: (Dave).

Dave Lew: Yes. Support the recommendation.

Michael Weber: Okay, Steve.

Steven Reynolds: Yes.

Michael Weber: Cindy?

Cindy Carpenter: Yes.

Michael Weber: (Mike)?

Michael Snee: Yes.

Michael Weber: Yes, let's go.

George Pangburn: Okay, one of the things we talked about was how (unintelligible) working.  
How is Management Review Board doing?

And, you know, the consensus view was that it was functioning very well. That it continues to serve the function that we intended to serve and that is an impartial executive level panel that would make the final decisions on adequacy and compatibility. We thought that the Agreement State Liaison was a particularly useful part of all that.

But we had very strong positive views about the Management Review Board as an entity.

There was some concern that was expressed by several stakeholders about the fact that some of the normal attendees, both NRC and Agreement States were

delegating participation down to a level that took away from that concept of having the high level impartial executive panel.

And so we were just looking for a way to say here that the NRC needs to take appropriate steps. In other words remind people that we want to continue to have that high level. We want to have if you will a step difference between the people who are at the table and the people who own the programs so that we get A, impartiality and agrees that (cycle), that sort of higher level focus that comes with it.

So that's what the first recommendation's about.

The second thing is to note that we felt that it was important because their duties are different perhaps somewhat unusual. That new MRB members as well as OAS liaisons for the MRB receive an orientation to the MRB's roles and responsibilities. So those are the two recommendations that came out of the discussion of the Management Review Board.

Michael Weber: Questions Brad?

Brad Jones: No questions.

Michael Weber: Art?

Art Howell: No questions.

Michael Weber: (Dave).

Dave Lew: No questions.

Michael Weber: All right, Steve any questions?

Steven Reynolds: No questions.

Michael Weber: Cindy?

Cindy Carpenter: No.

Michael Weber: (Mike)?

Michael Snee: One question. What would be appropriate steps (unintelligible)?

Man: Put a lien on your payroll and...

George Pangburn: The one I'd say would be a reminder periodically during the - perhaps biweekly calls between - and if we see this start to happen again, you know, we have calls with the regions, we have calls with the Agreement States. Let's take a simple approach. Let's just sort of watch it. Make sure if we see it happening to remind people that we want to keep this high level and that's all we meant by it.

Man: You mean like you can have a hard fast requirement that if like whoever isn't here you wouldn't have an MRB.

George Pangburn: Yeah.

Man: You would have the flexibility...

((Crosstalk))

George Pangburn: We certainly do not mean to intend that.

Man: Okay.

Man: As important as (Mike) is.

Michael Weber: Right. I had a question.

George Pangburn: Yes.

Michael Weber: Excuse me (Mike) (unintelligible). The OAS liaison is a nonvoting member to the MRB. I understand that traces our origin back multiple years...

((Crosstalk))

George Pangburn: I think it was reviewed as part of the 2002 Working Group Report and then a follow-up from that.

Michael Weber: Now more recently we've established other oversight groups like NSTS, web-based licensing, other titles are.

Man: Configuration Board.

Michael Weber: Configuration Board.

Man: Control Board, yeah.

Michael Weber: But there the OAS reps are voting members.

Man: Those are management directive (5.3) working groups. And I don't think they have a formal voting process. Actually industry is on that as well.

Michael Weber: Oh. Okay, so we lucked out.

Man: (Unintelligible).

Michael Weber: Oh yeah...

Man: (Unintelligible).

Michael Weber: ...because I think we function the on - on the MRB as though the Agreement State Liaison is a full pledged member of the MRB. And frankly that's what I'm most comfortable with because I think we value the OAS liaison and if there were a matter where the liaison had a significant concern I think the Board would take that into consideration and probably wouldn't overrule the OAS liaison, some sort of voting process.

So it seems to me that we're kind of operating, we're accommodating the need but it doesn't align with our procedure. I didn't know if that had come out in the matter of documentation.

George Pangburn: Okay.

Michael Weber: Brad, are you okay with that recommendation?

Brad Jones: I am, yes.

Michael Weber: Okay, Art? (Dave)?

Dave Lew: Yes.

Michael Weber: We're picking up speed on these things. Steve?

Steven Reynolds: I guess it's yes to both recommendations you're asking about.

Michael Weber: Right. Yeah, I posed that question.

((Crosstalk))

Steven Reynolds: Just to be clear yeah unintelligible.

Michael Weber: Right. Cindy?

Cindy Carpenter: Yes.

Michael Weber: (Mike)?

Michael Snee: Yes

Michael Weber: Okay, let's proceed.

George Pangburn: Okay. We did get into some of the difficult issues we saw coming out of either the program or the MRB. And one of those has to do with, you know, what happens when they get into situations where programs have issues, have problems for extended periods of time.

We felt they're particularly difficult for IMPEP to deal with because the circumstances vary widely from state-to-state and often times involve parties external to the Radiation Control Program.

Some offer the view that perhaps our ability to leverage these issues might be better if we had in fact taken the step which we have not done to this point to invoke probation.

And there - you can't tie the MRB's hands obviously. But you - we took a look at the procedure in (SA113) which says that there are conditions under which probation may be considered.

To me and to the team that was pretty soft and we felt that it might be a better thing for the procedure to speak about those conditions under which probation will be considered. Now that still is just considering but I think it's the fact that the Board would get to the position where they say all right, we are considering probation and appended to that are the following things. It involves should we go down this path. It involves notification to congressional committees. It involves a whole lot of stuff that we don't do under other things.

So we felt that to better address this concern about not really having a trigger point for which when we'll consider probation that we make a change to that procedure (SA113).

Michael Weber: So if I understand that recommendation correctly what would change is that you would add criteria to the procedure.

And if those criteria were deemed to be satisfied by the team, then the team would recommend to the MRB consideration on whether the site should be placed on probation. But it would still be up to the MRB to determine whether that was the appropriate thing to do in light of all the facts of the matter.

George Pangburn: Absolutely. And our view that changing this verb from may to will in no way ties your hands. But it makes it clear that in these instances you will consider this step which we've really have not done yet.

Michael Weber: Brad?

Brad Jones: Yes, I'm kind of pondering whether this is a solution in search of a problem.

Was it the view that there were programs that should have been put under probation or should have been considered that weren't?

George Pangburn: Yes.

Michael Weber: That was the view both by state representatives and NRC representatives.

George Pangburn: I'm not as sure about the state representatives. There were certainly some NRC regional and headquarters representatives that we thought we needed to have taken that step.

Man: Been put on probation or the MRB (unintelligible)?

George Pangburn: Well that they weren't. But there's even some question as to whether the MRB really considered placing them on probation or simply dealt with them as a program that had a number of problems.

Cindy Carpenter: What you're looking at is a structured. Basically it's a structured (unintelligible) whether you decide to or not to. At least you can say we went through the criteria. And we made a conscious decision right now it's very soft and but it's just adding structure to the problem.

George Pangburn: Yeah.

Michael Weber: Questions Brad?

Man: George I would add like in response to the questionnaire we did get responses from both NRC folks and state folks of that in response to that specific question about probation that folks said NRC - they might have used the word pull the trigger have a trigger point here, but the NRC has (unintelligible)...

Michael Weber: Reluctant.

Man: ...reluctant to move that in that direction. And we heard that from both (sides).

Michael Weber: It's also in the (OIG) Report.

George Pangburn: Yeah.

Man: What's the actual impact under this if you go on probation other than increased frequency?

George Pangburn: Well probation involves a notification to congressional committees that the program is, you know, that the program is in that. There's a press release. All those kinds of things serve. They have the practical effect of raising the problem within the eyes of people who stand to be able to make a decision that could help it out.

As I mentioned above a lot of the times these are, you know, states get into issues because of things that are outside their control.

And when you impact decision makers, particularly the congressional levels, things could happen.

Michael Weber: Other questions Brad?

Brad Jones: No, no more questions.

Michael Weber: Okay, Art?

Art Howell: No questions.

Michael Weber: (Dave)?

Dave Lew: No questions. But just a comment, I agree, it sounds like this (assessment) has more structure. And also I think it's a (unintelligible) inventory process.

But this seems like (unintelligible) state information and a process or thought process (unintelligible) up to that point is I think valuable. And it sounds like in most cases the (2X5) this process already. It may not be as well articulated and stated (unintelligible) procedures.

Michael Weber: Okay, thank you. Steve.

Steven Reynolds: I have a comment. I strongly support this recommendation and I think not only it's needed to improve the process but to improve the credibility of the process.

I have sat Brad on MRBs where going in the state or the region was on heightened oversight and the indicators decreased, not just once, several of them. And probation was not considered.

And I think that it will now have to be to improve that credibility of that process, need to be a gradation. So I think this is probably the best recommendation coming out of here.

Cindy Carpenter: I agree with Steve. I think it's a great recommendation. I like that.

Michael Weber: (Mike)?

Michael Snee: I agree with it. I have a question on...

Michael Weber: Sure.

Michael Snee: ...a separate process for a position...

((Crosstalk))

Cindy Carpenter: And sufficient programs.

Man: And indicators.

Cindy Carpenter: Yes.

Michael Snee: And they're off probation (unintelligible).

Man: They probably get impact everyday I think. But yeah, appreciate the help.

Michael Weber: Any other questions or comments (Mike)?

Brad, how do you stand on that recommendation?

Brad Jones: I understand. I'm not convinced.

Michael Weber: Need more information or you just abstain?

Brad Jones: No, I just abstain.

Michael Weber: Okay.

Brad Jones: I'm not convinced.

Michael Weber: Art?

Art Howell: I agree.

Michael Weber: With Brad, you're abstaining?

So you agree with the recommendation, okay, thanks.

(Dave).

Dave Lew: I agree with the recommendation.

Michael Weber: Steve?

Steven Reynolds: I agree with the recommendation.

Cindy Carpenter: I agree with the recommendation.

Michael Weber: (Mike)?

Michael Snee: I agree.

Michael Weber: Okay, I agree. Let's proceed.

George Pangburn: Okay. Last one I want to talk about is one of the issues, difficult issues we addressed was the one of compatibility of state regulation.

And we recognize the fact that from state-to-state the process for getting regulations promulgated can be and is very, very different. And it can take anywhere from 18 months to 2 years and probably beyond that to adopt rules.

And we acknowledge the fact that, you know, that we provide three years for states to adopt rules that are compatible with those but that time period can be a challenge.

The difficulty in this was, you know, that we had some situations where states were placed on heightened oversight for compatibility of regulations.

And the team's conclusion was that well this, you know, is an unsat. on compatibility of regulations the same as unsat. on the status of the Inspection Program, probably not. I mean you can - yet both could lead you through heightened oversight.

And what we recommended to deal with that was a more performance-based approach that would allow for the use of legally enforceable license conditions while rule making is underway.

Now subsequent to this report being prepared I'll acknowledge the shortcomings of yours truly and not necessarily any members of the team that

we have in fact already allowed this in states where we've had concern about findings and compatibility.

So it's a situation where the recommendation may not have as much substance as we have initially thought.

Michael Weber: So you're saying we already allow this. This would not be...

((Crosstalk))

George Pangburn: That's my understanding from a follow-on discussions we had with members of FSME staff. Yes.

Man: Is it a communications issue here that all states may not know of all their options. But we know many states in fact that do this very thing.

Kathleen Schneider: (Unintelligible).

((Crosstalk))

Kathleen Schneider: Yes, several states....

((Crosstalk))

Man: Fingerprinting.

Kathleen Schneider: (Unintelligible) impact though because (unintelligible).

Michael Weber: So does the team withdraw this recommendation or how...?

((Crosstalk))

George Pangburn: I was going to recommend, you know, I wouldn't go back and change the report but what I would suggest is that, you know, for FSME and its implementation to simply, you know, allude to the discussion we've had here today and acknowledge the conditions that are perceived. That we operate under and that no further action is warranted.

Michael Weber: Brad question?

Brad Jones: Yeah, I was just going to say I thought this was already being done so that's fine. Yeah.

Michael Weber: Okay, good. Art?

Art Howell: No questions.

Michael Weber: (Dave).

Dave Lew: No questions here.

Michael Weber: All right, Steve.

Steven Reynolds: No questions.

Michael Weber: Cindy?

Cindy Carpenter: I do. I'm not sure I understand. All right, if a state's regulations are not brought up to being compatible with ours within three years we don't place them on heightened oversight or we do?

We do allow them (unintelligible) condition.

George Pangburn: You can. You get the heightened oversight by a finding unsatisfactory.

Cindy Carpenter: Right.

George Pangburn: On any indicator. And this is an uncommon indicator. However it's a number of regulations that determine whether or not you get to that unsat. And one or two not make it within three years will not necessary get you there. If you're in the range of - I don't remember what the exact number is, five or six, then the state's program could be determined to be unsatisfactory.

But the alternative to that is that if the state were to put into place legally enforceable conditions while they're continuing that rule making process will they find that an acceptable alternative and not make a finding of unsatisfactory.

Kathleen Schneider: Can I make a question? (Unintelligible) and how we implement (unintelligible) (defining) requirements. The (unintelligible) requirements are regulation (unintelligible) license conditions. Any of those are acceptable.

I think there may have been some confusion (unintelligible) also (unintelligible) a license condition already (giving credit).

Cindy Carpenter: Well we wouldn't have any concerns then. We wouldn't find their - if they had five or ten regulations that were not compatible with ours we wouldn't have...

Kathleen Schneider: If they had license conditions for all those five in place that would be fine. They'd have - they also end up having to use their own state requirements (unintelligible). I think it's a combination. If you have a state (that listed) ten regulations that were significant and they (have no) progress (unintelligible), it's the fact that its (unintelligible) acceptable and when have they met the requirements that they (unintelligible) could do them (unintelligible).

Man: And the MRB in any case has the final say. So if the state has an extenuating situation they could come to the MRB and explain it.

Cindy Carpenter: But it takes the pressure off the states then to move along with some of these regulations. Because some states have a (log of) outstanding regulations that are compatible with ours.

And this takes pressure off of them so.

Kathleen Schneider: Actually (unintelligible) licensee or (unintelligible) regulating (unintelligible) opportunity (unintelligible), some states can't. So there is a limiting factor that as far as the department (unintelligible) states have nothing. They haven't done anything.

I think there was some confusion (whether) or not they already had flexibility (unintelligible) regulation.

So what would the recommendation be then?

Michael Weber: Well go ahead George. George is saying no action needed.

George Pangburn: (I think what we're saying) - right.

Michael Weber: Since we already do this. (Unintelligible) do you?

Woman: (Unintelligible), you know, to encourage them to (unintelligible).

George Pangburn: I'm not sure if I understand.

Woman: I was wondering if (unintelligible) encourage them to use their (unintelligible) regulations (unintelligible).

George Pangburn: I think what we're - what the team was looking at was not so much a quicker process but was it appropriate to be putting a state into heightened oversight simply based on compatibility and could we provide an alternative that would say we're going to get to the same place by using legally binding requirements that would - it would say you've heightened oversight for what it was really intended for and those situations where there - you know unsatisfactory for a significant defensible reason. If you have in place a license legally binding requirements then it really wouldn't make sense. I mean if you didn't have that in place it wouldn't make sense.

Michael Weber: But you're not saying that we wouldn't take that action to avoid having to determine they're not...

George Pangburn: No.

Michael Weber: ...not compatible, right?

George Pangburn: Yeah.

Michael Weber: What I hear you saying and the positive is we have determined that they are compatible because they have already imposed equally binding requirements.

George Pangburn: Correct.

Michael Weber: And whether they do it through regulation order or license condition.

George Pangburn: Right.

Cindy Carpenter: That's how we define compatible. Do we need to re-look at how we define compatibility?

((Crosstalk))

Kathleen Schneider: ...compatibility, legally binding requirements, that's...

Cindy Carpenter: Okay.

Woman: ...a part of a very long (unintelligible).

Cindy Carpenter: So either way would be acceptable.

Kathleen Schneider: Definitely.

Michael Weber: Program would be compatible.

Cindy Carpenter: I wonder if it had to be regulations or if the definition allows a broader...

Kathleen Schneider: Yeah, that was one of the (unintelligible) back in '94 when we had (unintelligible)...

Cindy Carpenter: Okay.

Kathleen Schneider: ...before that.

Cindy Carpenter: Thank you.

Michael Weber: (Mike), action on the non-action recommendation?

Michael Snee: Well one, I don't believe that it's widely known (unintelligible) to a number of (unintelligible).

Woman: I actually got a poster at the CRCPD...

((Crosstalk))

Man: Correct.

Cindy Carpenter: Yeah, I mean I find that interesting...

((Crosstalk))

Man: Maybe I'm the only one.

Cindy Carpenter: ...that that I mean and that could be. But given that we have had all the states come in for fingerprinting and for the (ICs), (the) license condition (unintelligible). I find it hard.

((Crosstalk))

Woman: And that's (unintelligible)...

((Crosstalk))

Man: But there may have been some (factors) and no regulations.

((Crosstalk))

Man: There's no regulations.

Cindy Carpenter: Well okay, in NSTS...

Man: Yeah, there is. There is no regulation.

((Crosstalk))

Cindy Carpenter: ...there is regulation. I think we were at - we only had one state come in under regulation. Everybody else came under license condition so...

((Crosstalk))

Man: We would acknowledge their communication.

Woman: Yeah (unintelligible) regulation (unintelligible).

Cindy Carpenter: Not initially.

Woman: Not initially.

Cindy Carpenter: They did eventually come in but to get it initially was the issue.

((Crosstalk))

Woman: And we have a supply (unintelligible) requirement by (unintelligible) or the NRC originally (unintelligible). We worked with the rest of the (unintelligible) staff to develop - we will develop license conditions for you and we tell you you have to do it. And here it is for (you) so you have...

((Crosstalk))

Cindy Carpenter: And have something out via Agreement State Letter so.

((Crosstalk))

Kathleen Schneider: ...when we identify (unintelligible) we will help and assist. And we have during many IMPEPs we'll take license conditions from other states who are having trouble. And say here, this is (unintelligible).

Michael Weber: So the action may be communicate the option (unintelligible).

Man: (Unintelligible) program (unintelligible).

Michael Weber: Right, because the...

((Crosstalk))

Man: All (unintelligible) are done by (unintelligible).

Man: Yeah.

Michael Weber: My comment on this and I recognize - I think we got to the right place. But my comment on this is as an MRB member I often am frustrated because

we'll get feedback from the team on compatibility status but then when it comes up to the Board we hear oh that's being dealt with through some separate process.

And I didn't know if in your interviews anybody raised integration of compatibility and determination in that oversight. It would seem to me that if we raise it in IMPEP then we ought to resolve it in IMPEP.

And to raise a matter of incompatibility only to hear well that's in a separate process and, you know, we the NRC are dealing with that it kind of bifurcates our - the way we're addressing that issue.

Did that come up at all?

George Pangburn: The only thing that came up was at the time there was a procedure that was going out for comment on how we would do regulation reviews. And that was the only time we even got close to that which how's the process being dealt with?

We didn't get into that because we're already asking for state comment on the process of regulatory reviews and the state role and the NRC in that. But we did not get into it beyond that.

Kathleen Schneider: (Unintelligible) that occurs ongoing throughout the year. And those results are available (unintelligible) program (unintelligible).

Michael Weber: Maybe I characterized it incorrectly. What I've observed is in an IMPEP review for a state obviously the team will identify okay, there's four regulations that are not current.

And when asked, the Board is informed those reviews are ongoing and the staff plans to get to those in three months or five months.

Kathleen Schneider: State staff?

Michael Weber: No, the NRC staff...

Cindy Carpenter: The NRC staff. It's on review.

Michael Weber: ...because the matter is pending before the NRC.

George Pangburn: Sometimes.

Michael Weber: Sometimes, not at all times.

((Crosstalk))

Cindy Carpenter: I've heard that.

Michael Weber: But it seems to bifurcate okay, well then how does in an IMPEP review do we conclude the Agreement States are compatible or not compatible?

Cindy Carpenter: No. I think - I actually think you're combining what you've heard. And I'm not trying to (unintelligible) but I'm getting a little confused because, you know, when the states submit a package to us, we had a 60-day timeframe with which we respond to them and provide our review.

And it actually goes through legal and we get back to them immediately. So I'm not sure where the three to five months is coming. I mean that's I think

what (Kathy) is setting out. We're both very confused as to what you're hearing at the NRC response is three to five months out.

Michael Weber: And it's not three to five months but it's at least not in hand and when asked, you know, the Agreement States go well we'll get back to you on resolution of that.

So the Board's in turn says okay and then compatible or is it not compatible. Well we don't know. We'll get back to you.

Cindy Carpenter: If it's not a regulation...

((Crosstalk))

Michael Snee: Well wait a minute, I'm not sure that's what we're - I think we're mixing two different questions.

Cindy Carpenter: Yeah.

Michael Snee: One is the timeliness of putting a requirement in place. The substantive review of whether the regulation they're proposing to put in place is compatible is this separate process. I don't view the MRB as doing that.

Michael Weber: Right.

Michael Snee: Whether they're completing those in a timely manner is what the MRB is looking at.

Michael Weber: Right, but in...

((Crosstalk))

Michael Snee: So (are these reviewed) when somebody tells us it's a couple months away, it's a factor in timeliness but they're still not timely.

Man: And I think what you might be saying (Mike) its kind of an echo effect because many states will clean up their books right before their IMPEP.

Michael Weber: Nothing wrong with that.

Man: And that's one of the reasons IMPEP has the system in. So we get a lot of reg. reviews right before the IMPEP and those will be in process (unintelligible).

((Crosstalk))

Michael Weber: Oh so they're in process, oh.

Man: I mean for example, I have Oklahoma is ongoing this week. I had a call today from Oklahoma people. We had to show them that they have not committed anything except for the (ICs) (unintelligible) since 2003. It turns out they've been amending their regulations and haven't presented anything. They're writing a letter to send it to us but we should have it before they come to the MRB. But they've not committed any regulation.

Michael Weber: Okay, that's a better understanding.

Man: Yeah, it might be timely but not substantively correct.

Michael Weber: So we don't need to vote on this recommendation because we're going to communicate before the process okay.

Well that was the longest discussion on the no action recommendation.

Man: How about that?

Man: Yeah.

Michael Weber: But it was a good discussion.

Woman: Yeah.

George Pangburn: Sector accompaniments. And I'm skipping over a portion of the report where we had no recommendation. But if you had questions just stop me at some point.

The sector accompaniments, you know, are a key part of the overall program. And, you know, the procedure as its written presently is that the goal is to accompany one-half of inspectors.

But for larger Agreement States and NRC regions the goal is to accompany for five inspectors. We heard from a lot of stakeholders and own sense was that, you know, under that construct we could go a long time and not really have an opportunity to talk to everybody who's an inspector.

And is that really where we would want to be. I think in some degree that the accompaniment may provide a truer measure of the quality of inspection than the file review. And the discussion is in-house.

So our recommendation is and we recognize this is probably the most significant resource impact of any of the recommendations we have is that we

should try to accompany 50% of a state's or region's inspectors in each review irrespective of their size. And by that I mean, you know, we treat Texas the same way we would New Hampshire.

And frankly that's just about what happened this last time is I think nearly half of Texas in the sectors were accompanied prior to the review.

Now to minimize the resource impacts they could perhaps be scheduled over the four year period between IMPEP reviews. And this also might have the practical effect of providing a way to keep people who don't get used in an IMPEP review in any given year an opportunity to kind of keep their teeth sharp if you will or nail sharp or whatever the right metaphor is.

Michael Weber: Pencil sharp.

George Pangburn: Pencil sharp to go out and accompany the inspectors during that period of time.

So that was the nature of it is simply we think it would be a good thing to do and as I said we recognize the resource burden that comes with this.

Michael Weber: Brad questions, comments?

Brad Jones: Yeah, the only question I have is related to the - trying to do this over a four year period for two reasons.

One is we've heard in recent IMPEPs about the high turnover so you're reviewing somebody who's not part of the program when the MRB meets and that's number one.

And the other is if in the MRB, if in a prior review it's identified that inspectors need additional training or there's something deficient in their inspections there's - if we start inspecting their inspectors right away there's no time to correct what was - what has been previously identified before we see whether they've made any progress four years later.

Did those factors get discussed?

George Pangburn: Not specifically, you know. I think we were looking at it I guess more broadly than that not focusing as closely as you are on it. You know with simply the notion that even if we do have turnover, and not all states have the same degree of turnover. I mean some of the troubled states have high turnover.

But many states can be relatively stable that it would be beneficial to seek to get as many inspectors accompanied. Whereas right now if we just go out and look at four or five in a program like Region 1 or Region 3 or Texas or California, you know, we're not going to have a real strong indication of the overall quality of that Inspection Program effort.

Michael Weber: And I guess you could also make the case that you're looking at the program performance, right?

George Pangburn: Right.

Michael Weber: So even if people are lost in the program, you're still getting an indicator by the accompanying program.

George Pangburn: Right, it gives you an overall sense. I mean, you know, you kind of know is this program doing well? Am I seeing it in the people that I accompany that are still here?

Brad Jones: Yeah, I mean the only thing I would question is whether you want to use the whole four year period because if the prior IMPEP has said you have a deficiency in training of your inspectors, you don't get many times to fix that before you start going out and executing the team.

((Crosstalk))

Brad Jones: So maybe the last two years or something...

Man: Yeah.

Brad Jones: ...otherwise the Board isn't getting a snapshot of whether they reacted to the inspector related comments from the previous IMPEP.

George Pangburn: I think that the way this is written is that they should be scheduled over the four years. It gives you flexibility so when you start that you could start it a little bit later.

Brad Jones: Right. And that might be the solution is to say where they've been given something they have to fix, don't start. And give them some period of time to put it in place before you start inspecting it.

George Pangburn: Implementation guidance.

Brad Jones: Otherwise you'll find the same comment you had before.

George Pangburn: Yeah.

Brad Jones: Yeah, that's it.

Michael Weber: Okay, Art?

Art Howell: Two observations, one is that I agree with the team's notion that potentially very significant insight can be obtained through the inspector accompaniments, and then the sample size for the larger programs does seem to be smaller than it is for example than in or regulation file review of that.

But I would agree with that. And there may be different approaches by how you (unintelligible).

The other part that's based on some feedback I've heard from folks that have participated in (unintelligible) the manner in which we do the accompaniments may not provide the most beneficial insights or the most sufficient insights insofar as that we do file reviews and we do accompaniments but they're often decoupled so that the accompaniments may actually occur before the files are reviewed.

So you don't have the benefit of having knowledge of that licensing performance upfront. Now you could probably address that through whatever questions the team, you know, information the team member wants to gather beyond the specific elements hit by the questionnaire.

But I have seen that. I've talked to folks who went out and reviewed or went out with inspectors. And then I ask them well did you review the files associated with that accompaniment? And the answer is no.

((Crosstalk))

Man: Well I see what you're saying, yeah.

Art Howell: They look at them so don't know the history. Don't know what necessarily to focus in on or to prove or to ask as a more independent measure of assessing the effectiveness of the (unintelligible).

((Crosstalk))

Art Howell: And correct me if I understand where you're going with that because we tend to do these accompaniments right before; there might not even be a file.

George Pamgburn: Correct.

Man: You know and...

Art Howell: Or the docket file, so if you...

Man: Yeah.

Art Howell: ...ask if you identify which ones you're going to do you may not request and often my experience that people don't, that they're not getting that upfront to review, to become knowledgeable about their licensee to understand what areas to focus on so that they can have some more independent measured of what actually is being inspected.

Man: Yeah.

Art Howell: And whether or not their focus is correct...

Man: Okay.

Art Howell: ...probing is correct. Is the breadth, depth is what, you know, you would expect based on the history of that licensee.

So that's the part I see is missing. And you can either do that through a number of ways. And one way is to independently sample. One way is to make sure the file review is conducted before you go out and do the accompaniments.

But that's the part that I didn't see in here and I just didn't know if you've got any observations about that particular activity or that comment.

George Pangburn: No. I haven't, no.

Art Howell: Okay.

Man: Yeah. And I think that Art brings up a point again. I think that's kind of not important (unintelligible) inspection (unintelligible) go up because you're right, we need to know (unintelligible). And I think (unintelligible) so the thing is, you know, I think this is a very good definition because again now we - and currently the NRC (unintelligible) needs this opportunity to go out (unintelligible). We don't really. Sometimes it's done, sometimes it's not done (unintelligible) focus of the IMPEP (unintelligible) start looking at some of the accompaniments (unintelligible), very valid comment (unintelligible).

Michael Weber: So if you did the file review in an integrated way with the inspection accompaniments then that would count towards the file review done for the quality of inspection.

Man: Right. Yeah, right.

Michael Weber: Equipment.

Man: (Unintelligible).

Michael Weber: (Unintelligible) recommendation essentially than just (unintelligible) because it gives you a leg up on imbalance of the workload especially with the file review.

Anything else Art?

Art Howell: No.

Michael Weber: Okay, (Dave).

Dave Lew: Yeah. I would agree that getting out to the sites and actually (unintelligible) accompaniments over time is (unintelligible).

And certainly if we don't go out we definitely won't be - have any opportunity to (quality) or versus (unintelligible) in a program and file so that certainly (unintelligible) positive recommendation.

I guess the only comment I would offer relative to the - this is I think there should be flexibility within the (implementation) and where within deployment timeframe that is conducted. I think that depends (unintelligible) in terms of (unintelligible) performance as well as also with the staff that we have in the region in terms of (unintelligible). We have at the very minimum, we're early in the four year period (unintelligible) so it's going to be hard that we (unintelligible) provide insight ahead of the IMPEP.

So I would agree with a lot of what has been discussed but there certainly should be some flexibility in how we do implementation and execute the accompaniments.

Michael Weber: Okay (Rob) did you have something?

Robert Lewis: Well I would just and I want to reiterate a point George made in passing but no one's made sense (unintelligible). This is the one recommendation that is not accommodated by our current budget.

If you look at the numbers right now we do, you know, we do about 12 IMPEPs a year. And right now we do two accompaniments per IMPEP. So it's 25 weeks a year. It's a one week trip. It's about a half (FPE). And it's about, you know, 35 KM travel budget.

If we were to expand, if you look at only NRC alone I think there's around 30, 35 inspectors. So over a four year period we'll be accompanying 15 people that have two per region so instead of 6 people.

So we just essentially tripled that. So, you know, and a rule of thumb we're probably an (FPE) short or would need to be transferred and about 100 day of travel short to do this recommendation as its written.

It may be well worth it. I'm not saying that.

Michael Weber: Yeah. And I think you're affirming what I said earlier that, you know, it ultimately comes down to FSME as to do it.

Robert Lewis: Right.

Michael Weber: And you may come back and say no. We'd like to but we can't achieve it given the resource constraints that are on.

Okay, Steve?

Steven Reynolds: I was going to touch on what (Rob) said but not nearly that strong so (unintelligible). But I do. I'm not sure. There's also another hidden message in here that, you know, we need to look at 50% because inspectors aren't consistent. That's the message. So this is the message that was given, why do we have to look at 50% because we don't think this inspector does the same way as that one (unintelligible), what about the message?

And then from a...

Michael Weber: Are you asking why 50%? Why not 40%, 20%?

Steven Reynolds: Or why the increase?

Michael Weber: Right.

Steven Reynolds: Why the increase? I mean I understand what you said.

Michael Weber: Okay.

Steven Reynolds: The perception can be we have to do half because we're not sure all the inspectors are doing it the same way so we want to know. We're checking up not just on the program but on each individual so we can say, you know, we (see enough individuals).

And then I guess more importantly, maybe a resource, not as direct as (Rob) said, but resource impact. Here the IMPEP Project Manager or the IMPEP team (unintelligible) is going to have to track this for a long time and that's going to be a workload.

And I'm - you know so that's going to be an implementation detail (you're going to hand out). If I do an inspection in 2010 for a 2013 IMPEP somebody is going to have to keep that record. How's that done and how is it recorded? And how's it reviewed and assessed? You know because maybe in four years or two years I'm no longer in that program.

Michael Weber: Right, yeah.

Steven Reynolds: Went from FSME to (unintelligible) or something. I don't know.

Michael Weber: Yeah.

Steven Reynolds: You know things like that. So, you know, I like (unintelligible). I'm worried about the 50% but the message is I just wonder how we're going to implement it and the resource impact of that.

Man: (Unintelligible) larger programs might have a dozen people (unintelligible).

Steven Reynolds: Well you've got to track it for four years. And who tracks it or who does it?

Man: (Unintelligible).

Woman: (Unintelligible) from the earlier program.

Steven Reynolds: Well and it's a resource impact.

((Crosstalk))

Man: (Unintelligible).

Cindy Carpenter: Can I just ask a point of question? Can an (RSA) track it if they're not the ones doing the actual accompaniment?

Man: I suspect (unintelligible).

Cindy Carpenter: Okay, so that you just - whoever went out and did it.

Man: Right.

Cindy Carpenter: Okay, you just kept track of it.

Man: Yeah, whoever went out, if it was not me it was someone else...

((Crosstalk))

Woman: ...the information.

Michael Weber: Anything else?

Chuck Cain: Can I insert a comment at this point?

Michael Weber: Go ahead (Chuck).

Chuck Cain: Having managed this program in Region 4 for a number of years there's several problems that come up. One of course I think you're already aware of

is that managers, supervisors are required to accompany their inspectors annually.

So we go out with all of our inspectors once a year so that means over an IMPEP cycle we would - a supervisor would accompany them four times on four occasions.

But one of the problems that have come up in doing that is administratively trying to figure out how - well we have people who are moving in and out of the inspection function. And I think I may have heard some comments that dealt with that issue. In other words we have some people who in a four year IMPEP cycle would come into the inspection function maybe late in the game or they might retire early in the game or whatever.

So you have the administration issue that (unintelligible) would have to deal with in terms of how you get it up in the percentage.

And I think it ends up how - it's more complicated to have to figure that success on that area than what you might first think so there's a lot of dynamics in terms of staffing.

The other thing that happens is we've got - in our Region 4 we've got some people who only conduct - I've got (Doug Whitman) sitting next to me. He's got a couple people in his staff that do inspections, maybe three or four inspections only per year.

And in fact right we're faced with the problem of we'd like to send somebody out to do an inspection but he hasn't been out in a couple years and hey, we're going to have to go out and do a management accompaniment with him if

we're going to send him out to do an inspection because he hasn't been accompanied for (unintelligible).

So in other words you get into a lot of administrative dynamics in how you make a program like this work.

Michael Weber: Okay.

Man: (Unintelligible). Team leader in looking at whoever is doing the inspection and inspection accompaniment with my team usually kind of go over it and say here are the people that work for the program as of say six months before the review and here's who accompanied the last IMPEP review and really if we could go back and look at the one before that. We try to make sure anybody who is qualified to do inspections and hasn't been accompanied is accompanied in the next three years.

So if 70% of the people who have accompanying in the last two IMPEPs is it really necessary for program performance accompany them instead of getting up to the 50% number?

So that's one of the things that we've seen here. And that's one of the things we do in working with our team members to try to do that. But one of the things when looking at people that haven't been accompanied is we end up with comments coming back because you're going out and accompanying. The guy's been there six months and this kind of proves two weeks before the accounting to do gauge inspection, he still doesn't even know what Part 20 regulations are.

So you get a (unintelligible) inspector out there and says, this guy is incompetent and doesn't know what he's doing but it's not his fault. He's still early in his training curve. It's not reflective of the program.

So sometimes in our deal of trying to accompanying everybody we actually end up going out with people that are really not qualified yet but the state wants us to give them a gauge of how they're doing in the process.

And we've had that before. Can you go out with this person or that person because we think we finally got them up to speed for evaluation? It's not our job as IMPEP team members to do...

Michael Weber: Calls...

((Crosstalk))

Man: ...supervisory call and evaluations of the staff.

So just a caution in doing this that in selecting the people you have to leave some flexibility to the team members and team leader in going through this process so that we're not judging the program and transition and training of the people and we don't get (pressured in) by states who want us to do their job, supervisory job and evaluating their staff.

So just a little bit of caution, and start playing the numbers game but there does have to be some flexibility with (team). And there may be two people on a group of inspectors, maybe two people who really aren't qualified and shouldn't be accompanied and they shouldn't just because they haven't been accompanied before go out and do something that then ends up how's the team explaining to you guys...

Michael Weber: Yeah.

Man: ...who don't know what they're doing that they really aren't qualified.

Michael Weber: Yeah.

Man: So the numbers game could get you in trouble in that way too. Forcing the team to do things that really (unintelligible).

Cindy Carpenter: It kind of sums up (unintelligible) yeah. I had the same kind of concern. I have concern. I agree in principle, certainly agree in principle. But I think it's something that (unintelligible) is going to have to look at. The 50% (hard mark) I think is - I think you're going to be re-looking at the Inspection Program. So I think that's something we need to look at.

But I don't know about putting in a hard mark there at 50% especially as you get into bigger states (unintelligible). Then also, you know, (Rob) said it and that's the first thing that caught my eye was individual issue. Like every other program it's a set box. And so it's - again I'm just pondering one issue...

((Crosstalk))

Man: Maybe it'll be reduce reciprocity inspection, you know.

Man: Yeah.

Man: I'm just looking at trade-offs.

Man: One of the basic.

Cindy Carpenter: No. But I think it is important. And I think it's something we need to look at.  
We can't, you know, we cannot turn a blind eye to...

Man: Yeah.

Cindy Carpenter: ...the resource situation and something we have to look at. We believe in principle but I think that 50% (unintelligible).

George Pangburn: I mean, you know, we never intended these to be cast in stone.

Cindy Carpenter: Right.

George Pangburn: And, you know, as we look at implementation if the budget only allows you to go, you know, so far and try to get to where we're going more accompaniments is better. I think that's the height and the core of it.

Cindy Carpenter: But again think about, you know, as we implement this, again it's a performance-base. It's a way of coming up and saying...

George Pangburn: Right.

Cindy Carpenter: ...well here you need to do a little bit more. Here you need to do a little bit less.

George Pangburn: Yep.

Cindy Carpenter: And that's what we need to think about.

Michael Weber: (Mike)?

Michael Snee: Well since IMPEP is (unintelligible) perhaps five years in some cases, always been every IMPEP Team I've been on as I've been through, you know, Ohio is kind of skewed towards - not so much four or five years ago.

So as a manager it's more important for me to know (unintelligible) my inspectors are doing right now, how they're doing other than someone who (unintelligible) five years ago who's no longer with the program (unintelligible) now that and it's not addressed and how does that get incorporated into IMPEP Report four or five years later.

I want to know about inspectors who are now (unintelligible) more so, much more so than (unintelligible).

Michael Weber: So what you...

Michael Snee: So if the numbers have to go up and it's really - paragraph don't really say that there's a problem, just that there's a feeling that it's not a true measure of inspection quality of the accompaniment that (unintelligible) but it doesn't say where there's a problem noted (unintelligible).

George Pangburn: The charge was can we make the program more effective and efficient.

Michael Snee: Well I understand that.

George Pangburn: And...

Man: And if the number of accompaniments have to go up try to do it perhaps two years out.

Man: Right.

Man: Getting more of the inspectors (unintelligible), do one four years ago and that inspector is still or perhaps they were - they had three or four years more experience.

Michael Weber: That would address Brad's comment as well because you're doing it more currently.

I see the balance you're trying to strike with more inspectors, spread it out so you level the workload.

But you're not in any way detracting from the comment made that we want to do it more recently so it's a better indicator, the current program performance.

Michael Snee: I think that's more performance-based because it's performance right now.

Michael Weber: Yeah.

Michael Snee: Not four years ago.

Michael Weber: Although I guess the IMPEP concept is...

Michael Snee: Right.

Man: Four years.

Michael Weber: For the whole period.

Woman: Yeah.

Man: And how did we look across those four years?

Man: Like how many times are IMPEP Reports written? Although they had these issues two or three years there have been noted improvement and that's what really, you know...

Michael Weber: Yep.

Man: ...gets to the safety culture aspect of it.

Michael Weber: Okay.

Man: I'll just add a comment that I think if we were to implement it as stated and I know when the IMPEP is done for my team well I expect to get pretty quick feedback not the way that (unintelligible) IMPEP that if there's one of my inspectors who was accompanied to at least (hear) no issues identified or if there were get that feedback quickly.

So if we pull back from the IMPEP have to be clear that let the supervision know well yeah, you know, we do have some concerns about this person so, you know, maybe it can be promptly corrected not late.

And that's whether it's six months before the IMPEP or three years before the IMPEP. And I think that is the practice of the team. So I don't think any team...

Michael Weber: Prompt feedback.

Man: ...sits on especially a negative finding until we exit.

Man: Still incorporate it into the report.

Man: Right (unintelligible).

((Crosstalk))

Man: And now it's six months, eight months (unintelligible).

Michael Weber: My question is along the lines of (John)'s and that's dealing with a prompt feedback. Is it clear what the expectations are for feedback on individual inspector's performance?

George Pangburn: Best to my knowledge yes, and if there are issues with an inspector's performance.

Michael Weber: But I'm asking it from the inverse. What is the expectation in a region or an Agreement State for management to use that information then in evaluating the performance of the individual inspector? Is it held against inspectors if they don't perform well and is that clear?

It's kind of a derivative use of the IMPEP process because our focus is on program performance.

George Pangburn: Yeah.

Michael Weber: But you're going out and you're accompanying individual inspectors and you're reviewing individual licensing files and inspection files, right. So if - to take (Dennis)' point if we're going out and we're observing an inspector and that inspector is not qualified besides telling the Agreement State Manger or

the Regional Manager the person is not deemed qualified because, you know, the following three deficiencies or whatever, then how is that information used in a performance appraisal or in a decision on an award or a salary change?

George Pangburn: My own view is it's a piece of information that is entered by the supervisor but in no way is it necessarily a telling of and in its own.

Man: You know so individual performance management systems may vary across all the states and don't really get into those as part of our program review.

But I have been in several exits that try to have a private meeting with the Program Director before the exit.

And its clear to me that the message is getting back to them in cases where an inspector's performance on the accompaniment inspection was not up to par.

And they take that - that's my experience. They take that very seriously. I don't follow-up with them about what they did about it. But it weighs heavy on them when that happens.

Michael Weber: It just sounds sort of subject because in all cases we're not sending the supervisors out. And it's also just a data point, right. You don't know if the person's having a bad day or...

Man: A particular...

Michael Weber: ...same performance or...

Man: Particular type of inspection.

Michael Weber: Right.

Man: That they're not familiar with, yeah.

Michael Weber: So we don't need to resolve it here. But I only wanted to raise it because if we're going to increase the number of accompaniments that we're going to do both for our own staff and for Agreement State staff that's going to increase the number of these difficult conversations that have to take place.

Man: Perhaps even worse though (unintelligible) IMPEP.

Michael Weber: Okay so what say ye Brad?

Brad Jones: I guess I would agree with the sentiment of recommendations to look at the numbers.

Michael Weber: Place on...

Brad Jones: To look at the number of accompaniments. And I don't know whether 50% is correct or we want to make it instead of a set number an informed choice for the team leader to make or something of that nature.

Michael Weber: With the thought more is better but it's got to be achievable and...

Brad Jones: Yeah. I imagine there's some states where two accompaniments is 50%.

Michael Weber: Yeah.

Brad Jones: So, you know, I don't, you know...

Man: Maybe 100%.

Brad Jones: Yeah, maybe 100% so yeah, maybe 100%. So, you know, I think we're really talking about the issue do we want to look in the larger programs at more than two.

And I think we should be free to do that with IMPEP and if that freedom doesn't exist we ought to add it.

Michael Weber: And your other thought was and do them...

Brad Jones: Do it closer or yeah, you can do them over time. It doesn't have to be during that short window of the IMPEP but do it at least towards the end of the review period so we're getting a snapshot.

Michael Weber: Art?

Art Howell: I agree with the sentiment or the notion that we ought to look for ways to improve the effectiveness of this continuity evaluation and (unintelligible).

Michael Weber: Okay. (Dave)?

Dave Lew: Yeah, I agree with the recommendation.

Michael Weber: So you're in favor of it as written rather than well maybe 50% is not readily achievable but do the best you can with the resources you have.

Dave Lew: Right. Yes, I agree with the concept of trying to get (unintelligible) recommendation. Yes, relative to whether it's exactly 50% or some modification I would support as well.

Michael Weber: Okay. Steve?

Steven Reynolds: I agree with more focus on inspectors would be good. And probably a shorter time period than four but that wasn't locked in anyway with the recommendation so (unintelligible).

Michael Weber: In the state. Cindy?

Cindy Carpenter: I agree with, you know, more inspection out there. I - something that I also agree that we need shorter - just like time period, we need to look at that.

But I also think that 50% needs to be looked at (unintelligible). It could vary by the state.

Michael Weber: Okay, thanks. (Mike).

Michael Snee: I don't agree with it as written (unintelligible) whatever number that it should be (unintelligible).

Michael Weber: And the aspect you don't agree with is 50%?

Michael Snee: As written.

Michael Weber: Oh as written.

Michael Snee: Specifically over four years.

Michael Weber: Okay, but if that is weighted towards more current...

Michael Snee: Yeah.

Michael Weber: ...then that scratches your concern.

Michael Snee: Yeah.

Michael Weber: Yeah, well I think - Monica.

Monica Orendi: Oh I just wanted to mention that I believe the call is going to stop at 5:15.

Michael Weber: Oh do a time check when we're done.

Monica Orendi: So yeah, just I didn't know if we need to extend it.

Dave Lew: Monica we called and the VTC is extended to 6:00.

Monica Orendi: Okay.

Dave Lew: So just for your information.

Monica Orendi: Thank you.

Monica Orendi: But I don't think this - the telephone is but I can get it extended if you want to continue.

Michael Weber: Well are we done with ten?

George Pangburn: I hope so.

Cindy Carpenter: Yes.

Michael Weber: I think I agree with the push that we evolve to because I think it's the right place. We need the flexibility.

Man: That's clarity for you.

Michael Weber: More is better but don't get carried away and make sure...

((Crosstalk))

Man: (Unintelligible).

Michael Weber: ....it's more current. So we have five more recommendations to discuss and we're already in overtime.

Can people support staying later? Do you have other commitments you need to get to? (Mike)'s got a flight.

Michael Snee: What's the latest I need to leave here to make an 8:00 flight on the highway?

Michael Weber: 8:00.

Cindy Carpenter: 5:30.

Michael Snee: Which now is...

Man: Yeah.

Man: (Unintelligible).

Michael Snee: Security (unintelligible).

Michael Weber: I mean can we schedule a follow-on to conclude the last five because we have about 50% more to go than what we've already done?

Woman: Yeah.

Man: We can.

Man: Yeah.

Michael Weber: Like I said at the outset I would just be loathed to push through...

Man: Yeah.

Michael Weber: ...for the sake of rushing and then regretting that not giving the guidance and I think (persons) will benefit from.

And we don't all need to be present here. And if we can...

Man: By phone.

Michael Weber: ...use technology to phone-in, video conference call, that sort of stuff.

Man: Yeah.

Michael Weber: (Rob).

Robert Lewis: Well many people were here for another meeting.

Michael Weber: Really?

Robert Lewis: No I mean the regions are...

Michael Weber: I know. I got the word when I came in so...

Robert Lewis: But we'll work with everyone's calendar.

Michael Weber: Okay.

Robert Lewis: To get within a couple weeks or (unintelligible).

Woman: Yeah.

Robert Lewis: While its fresh in everybody's mind.

George Pangburn: Didn't realize it was going to be this much fun for you.

Michael Weber: Yeah. Do we need to ask if there are any comments from any members of the public? I don't recall hearing any members of the public.

Monica Orendi: Is there anybody on the phone that has any comments on what we've discussed thus far? Okay.

Michael Weber: Hearing none. I would just like to take a moment to compliment the team. I think we focused today on, you know, the fine points as regulators often do.

But at least my take on the report was that it was a very thorough high quality balanced and timely assessment and I think its really done tribute to the whole concept of a self-assessment. I think it sets a high standard for the next self-assessment. And I know we haven't discussed that recommendation but we'll get to that.

And so I just wanted to thank George and George and the other participants on this team for a very thoughtful constructive review.

George Pangburn: I appreciate that.

Michael Weber: And so recognize George, leadership of the team, Cindy Cardwell, George Deegan, Earl Fordham from Washington State, Bryan Parker from Region 1. I guess Jim Dwyer also participate in the...

George Pangburn: On the training review, yes.

Michael Weber: ...training review. So I want to thank folks for that. Thank the MRB members, Michael, thanks for your participation as the OAS Liaison. Thanks all the regional representatives and Brad and (Rob) and Monica and all who contributed to this outcome.

And we'll look forward to our follow-on discussion for the last five.

George Pangburn: Okay.

Michael Weber: All right.

George Pangburn: Sounds good.

Michael Weber: Thanks.

Monica Orendi: Thank you.

END