

January 21, 2011

MEMORANDUM TO: Charles L. Miller, Director
Office of Federal and State Materials
and Environmental Management Programs

FROM: Robert J. Lewis, Director */RA/*
Division of Materials Safety and State Agreements
Office of Federal and State Materials
and Environmental Management Programs

SUBJECT: MSSA/ASPB Proposed Actions to IMPEP Self-Assessment
Recommendations

Please see the enclosed document outlining the Division of Materials Safety and State Agreements' plan to address the recommendations in the "Self-Assessment of Integrated Materials Performance Evaluation Program (IMPEP)" report dated June 2010 (ML102030228). The enclosed document details the planned actions, estimated timeline and resources (in FTEs) necessary for implementation for each recommendation.

If you have any questions/comments or need additional information regarding this matter, please contact me or Michelle Beardsley of my staff at (610) 337-6942 or michelle.beardsley@nrc.gov.

Enclosure:
As stated

[CONCURRENCE]

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IMPEP Self-Assessment Recommendations:
MRB Highlights and ASPB Recommended Actions

Recommendation 1 (substantive): The team recommends that IMPEP review of Increased Controls, NSTS, and other aspects of security currently addressed under 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. The existing set of common performance indicators remains effective and no new indicators are needed at this time.

MRB decision: All members agreed with recommendation with no modifications.

Consideration point from MRB:

- Specifically, evaluate whether or not it is appropriate to include NSTS in existing indicators.

ASPB recommended action: IMPEP Project Management is currently incorporating the pertinent aspects of the Increased Controls and NSTS into the associated SA procedures (SA-103, SA-104, SA-105, and SA-107 have been revised. SA-101 and SA-102 revisions are pending). The performance criteria for the affected indicators will be appropriately modified during the next revision to MD 5.6. A working group will develop the next revision of Management Directive (MD) 5.6.

Timeline/Due date: October 2012

Resources required: 0.25 – 0.5 FTE, within base budget for procedure reviews

Recommendation 2 (substantive): The team recommends that treatment of reciprocity inspections be made more performance-based and that the current 20% requirement for reciprocity inspections be removed from the IMPEP program along with corresponding changes to Inspection Manual Chapters 2800 and 1220.

MRB decision: MRB members generally agreed with recommendation with some modifications. Specific modifications not provided, in order to give the program office more flexibility to decide how best to deal with this indicator.

Consideration points from MRB:

- Overall, MRB members felt that it may be more appropriate to assign a minimum number of reciprocity inspections required versus eliminating the requirement in its entirety.
- Consider a minimum of 5% of reciprocity cases to actually inspect and use a performance-based method to determine the additional inspections to conduct. An example of this method would be to reach out to the licensee's home state to inquire about their performance history and factor the results into whether or not to conduct an inspection.

- Evaluate impact on resources to conduct phone calls for each notice of reciprocity.
- Consider factoring in the number of attempts to conduct an inspection. This would be evaluated similar to a good faith effort.
- Evaluate: (1) how the inspection of reciprocity cases relates to program performance and (2) the value added by this particular indicator to the overall IMPEP review

ASPB recommended action: Complete revisions to IMC 1220 and 2800, then revise M.D 5.6 to incorporate changes to the reciprocity program review.

Timeline/Due Date: TBD, possibly 2012

Resources required: If planned, resources are minimal.

Recommendation 3 (substantive): While the team does not recommend any additional gradations of performance within the existing indicators, it does recommend that a mechanism be put into place to recognize consistently high-performing organizations. Building on the language already contained in SA-106, two consecutive IMPEP findings of satisfactory on all indicators would lead to a letter of recognition and an extension in IMPEP interval from 4 years to 5 years, along with a press release acknowledging the organization's high level of performance.

MRB decision: All members agreed with recommendation with no modifications.

Consideration point from MRB:

- Ensure the nature of subsequent IMPEP reviews remains the same. For example, if there's one category not satisfactory and during the second IMPEP more focus is placed on that particular category instead of an overall neutral evaluation, this may change the nature of the interaction with the state during the IMPEP review.

ASPB recommended action: If a State has two or more IMPEP reviews with findings of satisfactory for all indicators, and no recommendations, then an additional paragraph will be added to the transmittal letter for the final report to inform senior state officials of the Agreement State program's exemplary performance. The transmittal letter for the final report will be addressed to the State Liaison Officer (SLO). Also, the review team may recommend to the MRB that the next IMPEP review for that State be done in 5 years rather than in 4 years

SA-100 & 106 and MD 5.6 will be modified to reflect criteria.

Timeline/Due Date: October 2012

Resources required: 0.25 – 0.5 FTE, within base budget for procedure reviews

***Recommendation 4 (enhancement):** The team recommends that the IMPEP reports add an executive summary at the front of the report which will provide at a glance the key findings from the review, any recommendations made by the team as well as any good practices identified. The executive summary would also include a table showing the status of all applicable indicators.*

MRB decision: All members agreed with recommendation with no modifications.

Consideration point from MRB: None

ASPB recommended action: IMPEP Project Management is experimenting with options for a suitable format and the appropriate level of detail for the executive summary for IMPEP reports. SA-100 and/or associated appendices will be revised.

Timeline/Due Date: Implement in January 2011 and revise SA-100 as scheduled.

Resources required: 0.1 FTE, within current budget

***Recommendation 5 (enhancement):** The team recommends that the NRC encourage States to increase use of electronic documents to the extent possible to increase efficiency of the onsite review. This could include, for example, providing as much information about the program as possible in electronic format in advance of the review to allow team members to better prepare. For IMPEP reviews of NRC Regions, this would mean expanded use of ADAMS documents in advance of the review.*

MRB decision: All members agreed with recommendation with no modifications.

Consideration point from MRB:

- Ensure the “encourage” threshold not met.

ASPB recommended action: RSAOs’ and Team Leaders will continue to encourage electronic options during future meetings with the States. Also, update cover letter to questionnaire with option to submit electronically.

Timeline/Due Date: Include in appropriate FSME procedures.

Resources required: None

***Recommendation 6 (enhancement):** The team recommends that NRC take appropriate steps to assure a consistent high level of management participation at Management Review Board meetings (for formal IMPEP reviews as well as mid-cycle reviews involving performance issues) both in terms of NRC attendees and Agreement State program and liaison attendees.*

MRB decision: All members agreed with recommendation with no modifications.

Consideration point from MRB:

- Consider conducting reminder calls to MRB members
- Consider the flexibility to have a hard, fast requirement that if a member cannot attend, then a MRB will not be held.

ASPB recommended action: Continue to implement and modify SA-100 and/or SA-106, if necessary

Timeline/Due Date: December 2010

Resources required: Minimal

Recommendation 7 (enhancement): The team recommends that new MRB members as well as OAS Liaisons to the MRB receive an orientation to MRB functions, roles and responsibilities.

MRB decision: All members agreed with recommendation with no modifications.

Consideration point from MRB: None

ASPB recommended action: Conduct one-time seminar at OAS meeting, follow-up training performed by read-and-sign review online. The IMPEP PM has the duty to train new permanent MRB members. Update FSME Procedure SA-106 to this aspect.

Timeline/Due Date: August 2011

Resources required: 0.1 FTE

Recommendation 8 (substantive): The team recommends that, to better address issues of continuing degraded performance in a program, that a more explicit trigger point for MRB consideration of placing a program on probation be included in SA-113.

MRB decision: Overall, members agreed with recommendation with no modifications and that this will improve the programs credibility. (OGC abstained from voting)

Consideration point from MRB:

- Lack of evaluation factors (explicit triggering points) may have caused some states to not be considered for probation
- Placing a state on probation could put state decision makers on notice of issues, resulting in necessary changes.

ASPB recommended action: Will review during the next revision of MD 5.6 and SA-113.

Timeline/Due Date: October 2012

Resources required: 0.25 – 0.5 FTE, within base budget for procedure reviews

***Recommendation 9 (substantive):** The team recommends that NRC employ a more performance-based approach (e.g., allowing the use of legally-enforceable license conditions while rulemaking is underway) to findings of compatibility in Agreement State programs utilizing the flexibility contained in Management Directive 5.6.*

MRB decision: This approach is already being implemented and is used by several states, no further action is recommended.

Consideration point from MRB: Inform states this option is available, if needed.

ASPB recommended action: No action

Timeline/Due Date: None

Resources required: N/A

***Recommendation 10 (substantive):** The team recommends that greater focus be placed on inspector accompaniments under the common performance indicator for Technical Quality of Inspection. Specifically, the IMPEP review team should attempt to accompany 50% of a State's or Region's inspectors in each IMPEP review. To minimize the resource impacts of these additional accompaniments, they could be scheduled over the 4 year period between formal reviews.*

MRB decision: MRB members generally agreed with the recommendation with some modifications. State Representative does not agree with recommendation as written, would recommend that inspections are more weighed towards those closer to the date of the upcoming IMPEP review.

Consideration point from MRB:

- If inspections are scheduled over a four year period, consider the impact of staff turnover and the effectiveness of the review.
- Starting accompaniments to soon after state has been determined to need improvements may not allow the program's changes to be reflected. Consider a two year period to combat this concern.
- Ensure that this increase of accompaniments is not done in lieu of the State's responsibility to accompany less experienced inspectors.
- Consider the impact to a state individuals' evaluation by state management.
- Make an informed decision on the number of accompaniments instead of a set number (ex. 50%).
- Evaluate, under the current process, if there is any disconnect between an actual accompaniment and file reviews associated with the accompaniment. During this evaluation, determine if there are instances where the file reviews are not completed.
- Consider the impact on record keeping for the accompaniments that will not be reflected until an IMPEP review years from the date the inspection was conducted.

ASPB recommended action: Recent IMPEP reviews have placed greater focus on inspector accompaniments. We will continue to encourage teams to perform more inspector accompaniments as time and resources allow. SA-102 and MD 5.6 will be modified to reflect the option.

Timeline/Due Date: June 2011 (SA-102), October 2012 (MD 5.6)

Resources required: 0.25 – 0.5 FTE, within base budget for procedure reviews

Recommendation 11 (enhancement): The team recommends that in the interest of program effectiveness and succession planning, that the pool of Team Leaders for IMPEP reviews be expanded and that Team Leader training be added to the agenda for routine IMPEP training.

MRB decision: MRB members agreed with recommendations with no modifications.

Consideration point from MRB: None

ASPB recommended action: IMPEP Project Manager is currently evaluating the use of senior staff from the Regions and DILR and GG-13s as team leaders, as well as, conducting a team leader training session. MSSA Division Director has requested other technical offices to provide prospective Team Leaders from their staff by January 31, 2011.

Timeline/Due Date: February 2011

Resources required: 0.2 FTE

Recommendation 12 (enhancement): The team recommends that FSME continue to work with Regional and Agreement State managers to assure that individuals selected for IMPEP training possess the appropriate technical skills, assessment skills, interpersonal skills and political savvy to serve as effective IMPEP team members.

MRB decision: MRB members agreed with recommendations with no modifications.

Consideration point from MRB: State Representative suggested that the state recommendation letter also include language that addresses this enhancement (incorporate the need for technical and interpersonal skills to serve as an effective team member).

ASPB recommended action: Historically, any interested individual has been permitted to attend the IMPEP Team Member Training; however, IMPEP Project Management has been selective of the individuals that will go on to participate in IMPEP reviews. IMPEP Project Management uses the IMPEP Team Member Training, particularly the in-class exercises, to gauge the level of understanding and tact of each attendee. We believe that IMPEP Project Management should routinely attend the Organization of Agreement States annual meeting to campaign for new, highly qualified individuals for IMPEP. IMPEP teams have effectively served as ambassadors to recruit new, talented team members during on-site reviews. SA-111 will be modified to reflect this recommendation.

Timeline/Due Date: December 2011

Resources required: Minimal, within current budget

Recommendation 13 (enhancement): The team recommends that MD 5.6 be revised to reflect current organizational structure, roles and responsibilities, and references to current appropriate SA procedures.

MRB decision: MRB member agreed with recommendations with no modifications.

Consideration point from MRB: None

ASPB recommended action: MD 5.6 will be modified.

Timeline/Due Date: October 2012

Resources required: 0.25 – 0.5 FTE, within base budget for procedure reviews

Recommendation 14 (substantive): The team recommends that the scope of IMPEP be expanded to include additional FSME functions, including Exempt Distribution licensing, General Licensing; Uranium Recovery licensing and complex decommissioning cases. This will require modifications to MD 5.6 and other Management Directives as well as corresponding SA procedures and development of new SA procedures.

MRB decision: MRB members agreed with recommendation.

Consideration point from MRB:

- Evaluate whether all of the areas listed in the recommendation should be included in scope (exempt distribution licensing, general licensing, uranium recovery licensing, and complex decommissioning cases) or should additional program areas be added.

ASPB recommended action:

- Incorporate identified FSME programs in next full IMPEP of SS&D program currently scheduled for 2014.
- Review and revise existing FSME procedures to determine if additional guidance is required to evaluate the FSME programs
- Perform self-assessments of added FSME programs in approximately one year (January 2012)

Timeline/Due Date: Evaluate FSME procedures (Mid-2011); Self-assessments for FSME Programs (January 2012); Conduct full IMPEP review of FSME Programs (2014)

Resources required: TBD

Recommendation 15 (substantive): The team recommends that self-assessments of the IMPEP program be conducted in the future on a frequency of 4-6 years. A draft procedure to guide the conduct of these assessments has been prepared for FSME management consideration as Appendix C to this report.

MRB decision: MRB members agreed with recommendation with some modifications.

Consideration point from MRB:

- Ensure that the circumstances warranting changes in the frequency are well defined in the procedure (i.e. factors in V.A.2 (a) – (c) in draft procedure are determined to be inclusive or exclusive of each other)
- Use of a frequency of every six years may ensure that changes implemented after previous self assessment have had a chance to impact the program (however some MRB members felt this length of time was too long)
- Consider picking a frequency instead of a range, then adjusting frequency with good cause.

ASPB recommended action: The assessment team's draft procedure (SA-123) will be finalized, approved, and used as the basis for future assessments of IMPEP. IMPEP Project Management will continue to use the continuous improvement approach as new regulatory requirements are developed and imposed.

Timeline/Due Date: March 2011

Resources required: 0.1 FTE