

August 22, 2011

MEMORANDUM TO: Elmo E. Collins, Administrator  
Region IV

FROM: Terrence Reis, Acting Director **/RA/**  
Division of Materials Safety and State Agreements  
Office of Federal and State Materials  
and Environmental Management Programs

SUBJECT: JULY 12-13, 2011 PERIODIC MEETING UNDER THE  
INTEGRATED MATERIALS PERFORMANCE EVALUATION  
PROGRAM (IMPEP)

A periodic meeting with Region IV was held on July 12-13, 2011. The purpose of the meeting was to review and discuss the status of the Region IV radioactive materials program. The Office of Federal and State Materials and Environmental Management Programs (FSME) was represented by Lisa Dimmick and myself. Specific topics and issues of importance discussed at the meeting included status of operating plan and performance metrics, status of staffing and training, licensing and inspection program changes since the last IMPEP, and a review of regional self-assessments. Enclosed is a copy of the meeting summary.

Enclosure:  
Periodic Meeting Summary for Region IV

cc w/ encl: Roy Caniano, Director  
Division of Nuclear Materials Safety

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Division of Nuclear Materials Safety

Distribution:  
DMSSA RF DCD (SP01)  
RLewis, FSME  
MDelligatti, FSME/MSSA  
JLuehman, FSME/MSSA  
DWhite, FSME/MSSA

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OFC	FSME/MSSA		FSME/MSSA			
NAME	LDimmick <b>LCD</b>		TReis			
DATE	8/20/11		8/22/11			

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PERIODIC MEETING SUMMARY FOR THE REGION IV  
RADIOACTIVE MATERIALS PROGRAM

MEETING DATE: July 12-13, 2011

<b>FSME Attendees</b>	<b>RIV Attendees</b>
Terrence Reis, Acting Director, FSME/MSSA	Roy Caniano, Director, DNMS
Lisa Dimmick, MSSA	Chuck Cain, DNMS
	Vivian Campbell (exit only), DNMS
	Art Howell (exit only), Deputy Regional Administrator
	Jack Whitten, DNMS
	Michael Vasquez, DNMS
	Blair Spitzberg, DNMS

**DISCUSSION:**

The NRC Region IV radioactive materials program is administered by the Division of Nuclear Materials Safety (the Division). Roy Caniano is currently Director of the Division and reports directly to the Regional Administrator. The Division regulates approximately 600 specific licenses authorizing possession and use of byproduct, source, and special nuclear materials. The Division is composed of three branches: Nuclear Materials Safety Branch A (NMSB-A), Nuclear Materials Safety Branch B (NMSB-B), and Repository and Spent Fuel Safety Branch (RSFS).

NMSB-A is largely responsible for materials inspections and enforcement including routine, reactive, and security inspections. The branch processes enforcement casework associated with these inspections and also processes and tracks Region IV materials event reports. NMSB-B primarily performs licensing activities including evaluation of financial assurance submittals, pre-licensing visits, and processing of reciprocity requests. RSFS conducts inspections of independent spent fuel storage installations and of sites and facilities under decommissioning. The branch also conducts routine and reactive uranium recovery inspections.

The previous IMPEP review was conducted March 23 – April 3, 2009. The review team found Region IV's performance satisfactory for all performance indicators reviewed. The review team made one recommendation for the Office of Federal and State Materials and Environmental Management Programs (FSME). Accordingly, the review team recommended, and the MRB agreed, that the Region IV program is adequate to protect public health and safety.

Enclosure

The status of the recommendation from the 2009 NRC RIV Final IMPEP Report is summarized below:

- The review team recommends that FSME develop and provide clarification to the NRC Regions on the requirements for marking of inspection and licensing correspondence.

Status: FSME issued RCPD letter RCPD-11-005 (ML 110330345) “Additional Guidance and Clarification Regarding the Review of the Control of Sensitive Information During Integrated Materials Performance Evaluation Program Reviews.”

## TOPICS DISCUSSED

### Status of operating plan metrics:

No issues were identified with respect to operating plan metrics. Specific areas relating to the status of operating plan metrics are discussed under other headings in this summary.

### Review of strategic plan metrics and an assessment of the quality of the data contained in the monthly reports on material statistics:

No issues were identified with respect to strategic plan metrics. The quality of data contained in the monthly reports has been adequate.

### Status of the Region’s actions to address all open IMPEP review findings and/or open recommendations:

There were no recommendations from the previous IMPEP review issued to RIV. The review team did recommend that FSME develop and provide clarification to the NRC regions on the requirements for marking of inspection and licensing correspondence. As noted above, FSME issued RCPD letter RCPD-11-005 (ML 110330345) “Additional Guidance and Clarification Regarding the Review of the Control of Sensitive Information During Integrated Materials Performance Evaluation Program Reviews.”

### Staffing and training:

The attendees reviewed the Division’s staffing plan, along with status of inspector and license reviewer qualifications. The Division has had a relatively stable staffing since the last IMPEP. There were three retirements—two from NMSB-A and one State Agreement Officer (SAO). One vacancy in NMSB-A and the SAO position were subsequently filled. In January, 2011 some organizational adjustments in the Division were made as described below under “Program Reorganizations.” No concerns with staffing levels were identified.

The Division uses the qualification program outlined in Inspection Manual Chapter (IMC) 1246, “Formal Qualification Programs in the Nuclear Material Safety and Safeguards Program Area,” for the inspection and licensing staff. The Division continues to cross train inspectors and reviewers. NMSB-A has seven inspectors: four are fully qualified, two were qualified within the last year, and one is pursuing qualification. One inspector is

a qualified license reviewer. NMSB-B has four fully qualified license reviewers and one staff who is pursuing the license reviewer qualification. These five health physicists in NMSB-B have inspector qualifications. RSFS has five staff fully qualified for inspection and/or technical review in areas of uranium recovery, decommissioning, spent fuel, and high level waste. Division management is clearly committed to staff training. No concerns with qualifications and training were identified.

#### Program reorganizations:

The Division has not reorganized since the last IMPEP review. However, some organizational adjustments were made in January 2011. Uranium recovery activities were moved from NMSB-B to RSFR. The RSFS branch lost 2 FTE with closure of the Las Vegas office; however, a technical position was added to RSFS to support the uranium recovery activities reassigned to the branch. The Division Director is supported by a deputy and senior materials analyst. Vacancies created by retirements or staff departures to a different branch were subsequently filled.

#### Changes in program budget/funding:

The regions materials program FTE has remained flat. No concerns with budget/funding were identified.

#### Materials inspection program:

At the time of the periodic, the inspection program was meeting inspection performance metrics for report timeliness and accompaniments. A review of FY 2010 performance measures indicates inspection targets were overall met. The oil spill in Gulf Mexico in April 2010 significantly impacted the region's ability to meet reciprocity inspection goal. The NRC temporarily discontinued off shore inspection program. Subsequently, the inability to acquire transportation services to offshore locations continues to adversely affect this metric. The inspection program is working on its offshore procedures and the re-start of the offshore inspection efforts. No concerns with the inspection program were identified.

#### Materials Licensing Program:

Materials licensing casework for new, amendment, and renewal applications all met NRC operating plan (FY 2010 and FY 2011 to date) and IMPEP performance indicator timeliness targets. The branch added a second licensing assistant which has taken some of the administrative burden away from the license reviewers. In addition to licensing casework, the licensing program oversees the Air Force master material license and over 125 general licensees. The Branch commented that 30-40 reciprocity filings are received each week. Support for reciprocity consumes 0.5 FTE. No concerns with the licensing program were identified.

#### Status of Spent Fuel Safety, Decommissioning, and Uranium Recovery Programs:

RFFS maintains an inspection planning and tracking system for implementing inspections. Review of performance measures for FY 2010 and FY 2011 to date

indicates inspection metrics for inspections performed and report timeliness are being met. The exception is noted for the timeliness of some team reports for spent fuel project inspections, whereby inspections may be performed assisted by another office and the report is issued by RSFS.

Response to incidents and allegations:

Response to incidents and allegations was not discussed in detail, as FSME and the Division coordinate closely on these areas daily.

Review of Regional self-assessments:

DNMS conducts self-assessments annually. The self assessment plan is developed with consideration of operating plan metrics. The plan is updated periodically with the status of each assessment activity. Assessment activities include: reviews of FTE utilization, branch reports, peer reviews of licensing and inspection documents, training, and document marking audits to name a few. No concerns with self assessments were identified.

Aside from meeting operation plan metrics, the Division has taken several initiatives to develop and inform staff and improve quality of work products. First, in March 2011, the Division implemented a weekly training seminar. The current seminar series is presenting the Code of Federal Regulations. The presentations not only discuss the rules themselves, but also include a discussion on why the rule was promulgated. The seminars started with 10 CFR Part 19 and the presenter is currently working through 10 CFR Part 20. The Division Director indicated the seminars are well attended and anticipates ongoing support for the training. The seminars are archived as audiovisual files and are posted on Region IV's website at the knowledge management portal. Second, the Director sends updates to staff on anything happening in the office. "DNMS Happenings" is yet another tool used to keep staff across the Division informed and engaged.

The division self identified several issues with enforcement including timeliness. As a result of a focused effort, the Division reports it significantly reduced enforcement cases in backlog from approximately 20 cases six months ago to only a few at present. In addition, the Division implemented a quality assurance review of enforcement documentation for accuracy and consistency of information.

The benefits of the licensing and inspector cross training efforts were apparent when the Division made adjustments to the organization in January 2011. A few inspectors and reviewers were reassigned to different branches following an assessment of skill sets and staffing needs for the Division.

New or potential FSME initiatives that may impact the Regions:

The attendees discussed that status of ongoing initiatives such as NUREG 1556 Series Update and Manual Chapters 2800, 1246 and 1248 projects; LTS/WBL; and NSTS and the possible change in the lower security level. The attendees commented on the status Part 37 and 61 rulemakings and as well as the Materials Inspection Working Group and

the working groups forming for the policy statements on Agreement State Programs and Adequacy and Compatibility.

Other topics:

The Region IV office will be relocating later this year between October and December.

CONCLUSIONS:

No performance concerns with respect to the IMPEP criteria were identified. The Region IV materials program is very active, strong, and stable program with excellent management support. The Division self-identified a number of challenges with enforcement cases for which action was taken. The Division has strong cross training and staff development programs. The Division remains committed to supporting other NRC offices as needs arise.

Schedule for the next IMPEP review:

For two consecutive IMPEP reviews, the RIV program was found adequate to protect public health and safety and all performance indicators for both reviews were found satisfactory. Therefore, RIV meets the criteria of a high performer and is a candidate for a one year extension for its next IMPEP. The staff recommends that the next IMPEP review be held March, 2014.

Action items:

None