

August 22, 2011

MEMORANDUM TO: Michael F. Weber
Deputy Executive Director for Materials, Waste,
Research, State, Tribal, and Compliance Programs
Office of the Executive Director for Operations

Bradley W. Jones, Assistant General Counsel
for Reactor and Materials Rulemaking
Office of the General Counsel

Cynthia Carpenter, Acting Director
Office of Federal and State Materials
and Environmental Management Programs

David Lew, Deputy Regional Administrator
Region I

FROM: Michelle R. Beardsley, Health Physicist */K.N. Meyer for/*
Division of Materials Safety and State Agreements
Office of Federal and State Materials
and Environmental Management Programs

SUBJECT: September 1, 2011 SPECIAL MRB MEETING

A Special Management Review Board (MRB) meeting to discuss the results of the periodic meetings held with the Illinois and Nevada Agreement State Programs and with NRC Region IV has been scheduled for **Thursday September 1, 2011 from 1:00 p.m. to 2:30 p.m. EDT, in Two White Flint North, Room 2-B5.** The summaries for each of the meetings are enclosed (Enclosures 1,2 and 3).

In accordance with Management Directive 5.6, the meeting is open to the public. The agenda for this meeting is enclosed (Enclosure 4).

If you have any questions or need additional information, please feel free to contact me at (610) 337-6942 or Michelle.Beardsley@nrc.gov.

Enclosures:
As stated

cc w/ encl.: Melanie Rasmussen, Iowa
Organization of Agreement States
Liaison to the MRB

MRB Members

Distribution: DCD (SP01)

MSSA_Technical_Asst

RLewis, FSME

TReis, FSME

DWhite, FSME

LDimmick, FSME

KMeyer, FSME

JKatanic, FMSE

Almboden, OEDO

TRothchild, OGC

JOlmstead OGC

RErickson, RIV

RBrowder, RIV

RCaniano, RIV

CCain, RIV

JLynch, RIII

ABoland, RIII

TTaylor, FSME

MDelligati, FSME

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| OFFICE | FSME/MSSA | | | | | | | | | |
| NAME | MBeardsley / knm1 | | | | | | | | | |
| DATE | 08/22/2011 | | | | | | | | | |

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**AGREEMENT STATE PERIODIC MEETING SUMMARY FOR THE ILLINOIS
EMERGENCY MANAGEMENT AGENCY**

| NRC Attendees | Illinois Attendees |
|-----------------------------|---------------------------------------|
| Jim Lynch, RSAO | Joe Klinger, Assistant Director, IEMA |
| Anne Boland, Director, DNMS | Paul Eastvold, Bureau Chief |
| Lisa Dimmick, FSME | Gary McCandless, Bureau Chief |
| | Gibb Vinson, Section Head |

DATE OF MEETING: JUNE 15, 2011

DISCUSSION:

The Agreement State Program is administered by the Bureau of Radiation Safety (the Bureau), within the Illinois Emergency Management Agency. Most of the radioactive materials program functions reside in the Bureau, led by Paul Eastvold. Gibb Vinson is currently the Head of the Radioactive Materials Section (the Section). The Section consists of three programs: Materials Licensing, Inspection & Enforcement, and Materials Security. The Materials Security program was recently created to focus on the security portions of the Agreement Program. The inspection staff is mostly based out of the West Chicago regional office.

Some programs, such as decommissioning and financial surety are located in the Bureau of Environmental Safety. Discussions with personnel from both Bureaus indicated that they work cooperatively together and resources from one may be used to assist the other, if needed. Gary McCandless, Environmental Safety Bureau Chief indicated that his program is expanding their presence in the Agreement State area, including response to scrap and waste disposal alarm trips and licensing/inspection of radioactive waste generators.

Jonathon Monken was appointed by Governor Pat Quinn as Director of the Illinois Emergency Management Agency in February 2011. Joe Klinger was named Assistant Director. Mr. Klinger is the State Liaison Officer and remains as the NRC's main contact and responsible party for the radiation control program. Illinois has approximately 714 specific licensees.

The State's last IMPEP review was conducted in May 2009. The review team found Illinois' performance to be satisfactory for all performance indicators reviewed. The review team made one recommendation, discussed below. Accordingly, the review team recommended, and the Management Review Board agreed, that the Illinois Agreement State Program was adequate to protect public health and safety, and compatible with NRC's program.

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

- The review team recommends that the State provide inspection documentation to its licensees within 30 days of a completed inspection in accordance with the Section's policies and procedures.

Status: The Section refined their inspection documentation process, including the use of NRC 591-type forms that can be used to close out inspection documentation in the field. The Section Head stated that inspection documentation was currently provided to licensees in a timely fashion. Inspection documentation is tracked by the Bureau Chief in a monthly report. This recommendation should be verified and closed at the next IMPEP review.

Other topics covered at the meeting included:

Program Strengths:

The experienced, competent staff is the most notable strength of the program. Many of the staff members have over 20 years experience with the State. Program supervisors are very experienced and have maintained a strong radioactive materials program during a difficult budget period.

The State provides excellent support to NRC and other Agreement States with their thorough evaluation of proposed regulations and procedures.

The Illinois orphan source program has been very successful, significantly reducing the number of unwanted, potentially dangerous radioactive sources in the State.

Program Weaknesses:

Vacancies in the licensing program have resulted in increased workloads for supervisors and inspection staff personnel.

Travel issues have resulted from the State's budgetary woes. Out-of-State travel is currently allowed, but needs to be approved by the Governor's office.

Feedback on NRC's Program:

The State managers indicated that they appreciated the good relationship and communication that they have with NRC Region III. They were also appreciative of NRC's funding for Agreement State training.

Staffing and Training:

Staffing for the Agreement State program remains a challenge with significant budget issues facing the State. An inspector was recently hired to fill the Springfield inspector position left vacant by a retirement. Three licensing positions are currently being evaluated by the Director's office. The Assistant Director stated that filling the positions is a priority for the Agency.

With the potential new hires coming into the program and increased duties for Environmental Safety staff, State managers inquired about the possibility of bringing some of the basic NRC-sponsored training courses, such as licensing procedures and inspection procedures, to Illinois in the next fiscal year. The NRC representatives discussed the training course development process and suggested that they contact the FSME Training Coordinator if they wish to sponsor a course. The State asked if the Region III office could be a potential training location and were told by Anne Boland that it could be feasible.

Gary McCandless requested a status update on several training course applications for his staff. After checking with the FSME Training Coordinator, it was discovered that several applications had been overlooked and NRC has now placed the applications in the training course queue.

Gibb Vinson asked if NRC training materials were available for courses that had been added as core courses. These would be used to train staff that may not be able to travel for certain courses. Jim Lynch said that many course training materials were available to IEMA upon request.

Program Reorganizations:

As mentioned earlier, the Materials Security program was recently created to focus on the security portions of the Agreement Program. The Health Physicist chosen to lead this program was temporarily reassigned, however, to perform downstate inspections as needed due to the retirement of the Springfield inspector, and to perform licensing actions to assist the depleted Materials Licensing program.

Changes in Program Budget/Funding:

No significant budgetary changes were identified by State managers. The Agreement State program receives approximately 88 percent of its budget from licensee fees; the other 12 percent comes from other sources. The fee-based funding level was increased from approximately 50 percent to its current level with a fee increase in March 2009.

Materials Inspection Program:

Illinois inspection frequencies are at least as frequent as found in NRC's Inspection Manual Chapter (IMC) 2800. According to the Section Head, no inspections are currently overdue with respect to NRC priorities. New licensees are inspected within 12 months of license issuance, regardless of whether the licensee has received radioactive material. Reciprocity inspections are performed in accordance with the frequencies identified in NRC Manual Chapter 1220.

Materials Licensing Program:

No significant licensing backlogs exist; however, with the shortage of license reviewers, IEMA is prioritizing licensing actions with health, safety and security-related actions taking precedence. IEMA issues licenses on a 5-year term. An expedited license

renewal program is being used for licensees whose programs do not have significant changes.

A due diligence review is performed for new licensees and new radioactive material users. This review is an extensive background check. Pre-licensing visits are performed for all applicants unless they already have an NRC or Agreement State license. Financial assurance obligations are reevaluated every 2 years.

Regulations and Legislative Changes:

The Section Head stated that in May 2011, the State submitted final versions of the five latest regulation packages which were due for adoption (RATS IDs: 2007-1, 2007-2, 2007-3, 2008-1, and 2009-1). The regulation promulgation process in Illinois takes approximately 1 year to complete.

The current 10 CFR Part 37 rulemaking process was also discussed during the meeting. NRC will send the State a Part 37 adoption process timeline, when it is available.

Event Reporting, including Follow-up and Closure Information in the Nuclear Materials Events Database (NMED):

The Bureau had reported numerous events to NMED since the 2009 IMPEP review. All of the events were appropriately reported to the NRC, and were properly entered into, and updated, within NMED. Very good communication with Region III was noted during event response.

Response to Incidents and Allegations:

The Bureau continues to be sensitive to notifications of incidents and allegations. Incidents are quickly reviewed for their affect on public health and safety. Sixteen reportable incidents were reported since the last IMPEP review. Staff is dispatched to perform on-site investigations when necessary, including mitigation of landfill and scrap dealer alarm trips. The program managers have placed emphasis on maintaining an effective response to incidents and allegations.

Status of Allegations and Concerns Referred by the NRC for Action:

The NRC referred three allegations to Illinois since the last IMPEP review. One of the allegations is currently under review, while the other two were closed by the State. The RSAO verified that the completed allegations were thoroughly investigated in a timely fashion. Allegers' identities were protected, as appropriate.

Significant Events and Generic Implications:

The Bureau identified two abnormal occurrences since the last IMPEP review. Loyola University Medical Center had a human exposure incident and Rush University Medical Center had a medical event that met the abnormal occurrence criteria. The

Loyola incident was reported in the Fiscal Year 2010 report to Congress. The Rush incident will be included in the Fiscal Year 2011 report. State managers stated that the write-up for that incident will be submitted to the NRC in the near future.

In 2010, Riverside Medical Center lost control of a brachytherapy safe containing 14 cesium-137 sources. IEMA believes that the safe was disposed of in an Indiana landfill. NRC assisted the State by performing surveys at the landfill.

Current State Initiatives:

With the ongoing decommissioning of the Zion nuclear plant, State law requires IEMA to ensure that waste from the decommissioning efforts is transported safely within the State. Ms. Boland committed to have the Region III Decommissioning staff arrange further meetings with IEMA to discuss our respective regulatory authorities and best align our future Zion activities, in the most efficient and effective manner.

Large, Complicated, or Unusual Authorizations for use of Radioactive Materials:

Illinois' significant decommissioning projects were discussed, including Chicago Magnesium and Tronox (aka Kerr-McGee). The Chicago Magnesium decommissioning in Blue Island should be completed in 2011. The industrial site and nearby forest preserve were successfully decontaminated.

The Tronox decommissioning project continues in West Chicago under an environmental trust arrangement. The factory site decommissioning is essentially completed. Kress Creek was also decontaminated. One reach of the DuPage River, downstream from Kress Creek, is yet to be decontaminated. Groundwater remediation at the factory site will continue for 10-15 years. The total decommissioning project cost is estimated to be \$600-800 million. IEMA may request future assistance from NRC with the environmental analysis for this project.

Recently, a landfill in Roxana, Illinois has received a number of radioactive material contaminated waste shipments from waste transfer stations in Missouri, a non-Agreement State. The Bureau Chief asked NRC representatives if they could interact with the Missouri facilities, which are not licensees, to ensure that proper monitoring is performed prior to shipping waste to the landfill. Region III personnel contacted the waste transfer stations and received assurances that upgraded radiation monitoring systems were being installed which should help preclude shipments of contaminated waste to the landfill.

Sealed Sources and Devices:

IEMA has an active SS&D program which issues approximately 6 to 7 amendments per year.

Current NRC Initiatives:

NRC staff discussed ongoing initiatives with the Illinois representatives. These included: medical rulemaking and workshops; brachytherapy guidance; license maximum possession limits; control of sensitive information; NRC's enforcement guidance for portable gauges; and the recently published Inspection Manual Chapter 1248 which regards staff training and qualification.

CONCLUSION:

The Illinois Agreement State Program remains a very active, strong, stable program with excellent management support. Recent staffing changes have left the licensing program with three vacancies and put a strain on the entire program. The training level for staff members is on target. Illinois managers indicated that they will continue to support the IMPEP program and NRC working groups, to the extent practical.

Schedule for the Next IMPEP Review:

NRC staff recommends that the next IMPEP review to be held, as currently scheduled, in 2013.

**AGREEMENT STATE PERIODIC MEETING SUMMARY FOR THE
NEVADA DEPARTMENT OF HEALTH**

DATE OF MEETING: JUNE 29, 2011

| NRC Attendees | Nevada Attendees |
|----------------------|---|
| Randy Erickson, RSAO | Karen Beckley, Program Manager |
| Janine Katanic, FSME | Adrian Howe, Radiation Physicist/Supervisor |
| | Eric Matus, Radiation Physicist/Supervisor |
| | Multiple Technical and Administrative Staff |

DISCUSSION:

The Nevada Agreement State program is administered by the Radiation Control Program (Program) in the Bureau of Health Care Quality and Compliance. The Bureau is part of the Nevada State Health Division. At the time of the meeting, the Nevada Agreement State program regulated approximately 240 specific licenses authorizing the use of byproduct, source, and special nuclear material.

The previous IMPEP review was conducted the week of June 1-5, 2009. At the conclusion of the review, review team found Nevada's performance to be satisfactory for five performance indicators and satisfactory, but needs improvement for one performance indicator, Compatibility Requirements. The review team made two recommendations regarding program performance by the State, kept open two recommendations from the previous IMPEP review, and identified one good practice. The team recommended and the MRB agreed that the Program be found adequate to protect public health and safety and compatible with NRC's program, and that the next full IMPEP review be conducted in 4 years.

The proposed status of the recommendations from the 2009 Nevada final IMPEP report is summarized below.

- The review team recommends that the Program revise their inspection procedures and provide training to implement a policy for timely and orderly license termination of licensed materials not in use. (Section 3.3 of the 2005 IMPEP Report)

Status during the 2009 IMPEP review: The Program handles issues associated with licensees who possess licensed material not in use, on a case-by-case basis. The Program is in the process of developing written procedures to address this issue. Inspectors are trained on proper notification procedures when this issue is identified on an inspection. The Program has the support of the Attorney General's office in requiring payment of fees, confiscation of materials, and the revocation of licenses.

Current Status: The Program noted that this issue was also identified by a Nevada legislative audit as an item needing correction. In response to both the NRC and the legislative audit, the Program developed and implemented a procedure to ensure that those licenses that need to be terminated are terminated in a timely manner. The staff has been trained and understands the procedure. The Program has also strengthened

their enforcement procedure regarding license termination and fee collection. Invoices for license renewal fees are sent 60 days in advance of the license expiration date, and invoices for fees are sent 30 days in advance of the payment due date. If the fees are not paid by the due date, they automatically double. If a licensee does not submit their renewal application the due date, the Program automatically doubles their fee and is considered not in timely renewal.

- The review team recommends that the Program develop, implement, and maintain a reliable and comprehensive licensing and inspection database that serves as an effective and efficient planning, tracking, and management tool. (Section 3.4 of the 2005 IMPEP Report)

Status during the 2009 IMPEP review: Following the previous review, the Program revised its existing database to better manage information on radioactive materials licensing and inspection. The Program is still working to implement a database that will serve as an efficient planning, tracking, and management tool. This year, the Program requested legislative approval to use program funding to acquire a new database that will address the limitations of the current database

Current Status: The Program noted that development of a reliable database is still a work in progress, but it is moving forward. The Program secured a copy of the Oregon database, made changes specific to their Program, and submitted it to their IT Department for approval. They are still awaiting that approval. In the interim, the Program modified their current database, implemented new quality assurance procedures for it, and continue to use it. They have found that while not perfect; their current database is now more accurate. When the new database is approved, they plan to implement it.

- The review team recommends that the State submit proposed and final regulations to NRC for compatibility reviews. (Section 4.1.2)

Current Status: The state has been submitting proposed regulations to NRC in a timely manner as regulations are developed. At the time of the meeting, there were only two regulations that had not been submitted to NRC as proposed: RATS 2009-1, due for state adoption 9/28/12 and RATS 2011-1, due for state adoption 12/17/15. The State's regulatory process is that they adopt final regulations but these final regulations might not be codified for several months or years. However, these regulations, once adopted, are enforceable and can be inspected against. There was a miscommunication that the State not submit final adopted regulations to NRC until they had been codified. However, NRC can accept these regulations as final because they have been adopted and are enforceable. The State noted that sometimes when the regulations are codified there are administrative changes or minor changes but occasionally substantive changes that are made by the Legislative Council. During the meeting, it was requested that the adopted regulations be submitted to NRC as final and that if any changes are made when the regulations are codified, they can inform NRC of any changes as appropriate.

- The review team recommends that the State develop all required regulations within the required timeframe. (Section 4.1.2)

Current Status: Since the IMPEP the State has greatly enhanced their regulatory development process. The State has developed all regulations within the required time frame. While they experience delays with codification of regulations following adoption, they have been able to make the process work for them and have greatly improved their timely submission of regulations.

Other topics covered at the meeting included:

Program Strengths: The Nevada Program is a busy program with a highly motivated and dedicated staff who works well together. Program management has placed a high level of trust in the staff and actively encourages staff to speak out for the betterment of the program. Since the last IMPEP review, the Program experienced minimal staff loss but has been successful in filling those positions with talented individuals, bolstering the Program's growing knowledge base.

The Program has placed a lot of emphasis on coordinating and building relationships with other agencies for the common good of their programs. The Program is integrated with local and federal law enforcement agencies regarding response to radiological incidents, is working with the US Department of Transportation in an effort to conduct joint inspections, and is coordinating with other state radiation control programs to ensure that reciprocity candidates who have enforcement actions taken against them in other states do not work in Nevada.

Program Weaknesses: The Program noted they are still able to travel to out-of-state training and meetings; however, they are limited to a 40 hour work week with no overtime or compensatory time for traveling. This has caused them difficulty in attending courses that start on Monday morning or end late on Friday. Additionally, they also noted that the competition for seats in NRC's training courses has often limited their opportunities to attend needed training.

Feedback on NRC's Program

The Program noted their appreciation for NRC's responsiveness to Nevada's needs. As indicated above, they also noted the problems associated with getting into NRC training classes. The Program also stressed their dissatisfaction with the way information dissemination was handled during the Fukushima event. The Program also brought up several technical questions involving issues that are being addressed outside of the Periodic Meeting. These issues included, but are not limited to: the NNSA Off Site Recovery Program, transportation of materials through the State, the NNSA irradiator hardening program, and low level waste issues.

Staffing and Training

The Program is managed by the Program Manager and two Supervisors, one responsible primarily for materials related activities, and one responsible primarily for

emergency response and intergovernmental activities. As noted during the 2009 review, the Program also has another Supervisor based in the Las Vegas who manages machine-based radiation activities for both the Carson City office as well as a Las Vegas field office.

At the time of the meeting, the Materials Section employed 7.7 FTE technical staff members and four administrative staff members. The technical staff members perform licensing, inspection, and emergency response activities. The administrative staff supports the technical staff, handles billing, and tracks all administrative follow-up for the Program.

The Program reported they have lost three technical staff since the 2009 review. All those individuals have been replaced and either have been or are being trained at the present time. The Program indicated that they have cross-trained other staff to assist in the materials program, and with that cross training initiative, currently have enough staff to meet their Program's mission.

Program Reorganizations

The Office has not experienced any program reorganizations since the previous IMPEP review; however, on July 25, 2011, the Program is relocating to an office space that is closer to the main part of Carson City and is closer to other government offices.

Changes in Program Budget/Funding

While the Program did not report any specific difficulties with funding that had an immediate negative impact on the Program, they did note several items that may affect funding in the near future. The Program currently has a dedicated fee fund; however, they have not had a fee increase since 2007 while costs have continued to rise. The legislature recently removed \$1.5M from their dedicated fund leaving the Program with only 6 months of salary reserves. They also removed \$11.5M from the Beatty Waste Site fund, leaving only \$300K in reserves to manage the waste site. Additionally, the Health Department recently returned a program involving oversight of the Nevada Test Site back to the Department of Energy. This oversight program came with \$229K in funding which is now lost.

The staff has also suffered financial losses due to reductions in pay and a shift in costs from the State to the individual. The State instituted a 2.5 percent salary decrease and also requires the staff to contribute an additional 2.6 percent towards their retirement plan. Employees are subject to 6 furlough days each calendar year. The State no longer funds a cost of living adjustment, merit raises have been suspended, longevity pay has been suspended, and no overtime is authorized. Additionally for all new hires, health care coverage in retirement will no longer be a part of the benefit package.

Materials Inspection and Licensing Programs

During the 2009 IMPEP review, the Program was found to have performed 9 percent of all Priority 1, 2, and 3 and initial inspections overdue. The Program reported that they have

caught up on all inspections and are performing inspections approximately 3 months ahead of the scheduled due date. The same holds true for all initial inspections.

NSTS inventories are being reviewed for those affected licensees, and pre-licensing criteria is applied to all applicants and licensees requesting certain changes. Site visits are being performed and all new licenses are hand delivered and a copy of the individual's identification is obtained.

The Program reported that they are working to perform inspections on 20 percent or more of all candidate reciprocity licensees. Additionally, the Program has developed a program to call other Agreement States or NRC to inquire about any recent enforcement actions taken against any licensee requesting reciprocal recognition in the State of Nevada. For example, if a licensee has not paid their fees in another State, Nevada will not grant reciprocity until the fees have been paid to their home state. Also, if a licensee is restricted in some manner in their home state, Nevada will enforce that restriction within Nevada.

The Program reported that the licensing backlog has been nearly eliminated. In January 2010, the Program had approximately 120 pending licensing actions. By January 2011, that number had been reduced to 12 pending licensing actions. The Program continues to issue amendments in a timely manner. Deficiency letters are mailed to licensees within 30 days of receipt of their renewal. The Program reported they are also working to register all GL devices in the State. Currently they have identified 62 generally licensed devices possessed by 18 companies within Nevada.

During the 2009 IMPEP review the team noted that the pre-licensing checklist was not utilized on all amendments. The Program reported that they have corrected this and now use the pre-licensing checklist for all amendments.

Regulations and Legislative Changes

Since the IMPEP, there have been minor changes to Nevada's enabling legislation. The NRC performed a preliminary assessment of the changes but the changes have not been submitted by the state to NRC for formal review. As noted previously, the misunderstanding between the Program and NRC regarding the difference between adoption and codification of regulations has been clarified, and the Program is now sending in regulation packages for review in a timely manner.

On July 27, 2011, the Program submitted several regulations to NRC for review. The package included proposed regulations, final regulations that had not yet been reviewed by NRC and proposed revisions to final regulations to address previous NRC comments.

The Program also requested a correction to the State Regulation Status Sheet. This request addressed the following:

- "Low-Level Waste Shipment Manifest Information and Reporting," 10 CFR 20.2006 (60 FR 15649 & 60 FR 25983) that became effective on March 1, 1995.

This is a proposed revision to a final regulation to address outstanding comments.

- "Respiratory Protection and Controls to Restrict Internal Exposure," 10 CFR Part 20 amendment (64 FR 54543 and 64 FR 55524) that became effective February 2, 2003.

This is a request for a correction to the NRC's State Regulations Status (SRS) sheet which indicated that there were comments on this amendment by NRC. The final regulation was adopted by the Program and awaiting codification.

- "Requirements for Certain Generally Licensed Industrial Devices Containing Byproduct Material," 10 CFR Parts 30, 31, and 32 amendment (65 FR 79162) that became effective on February 16, 2004.

This is a final regulation, adopted by the Program and awaiting codification. With the change of the compatibility category from Compatibility Category B to Compatibility Category C, the previously identified comment that was more restrictive will be acceptable as a Compatibility Category C provision.

- "Medical Use of Byproduct Material," 10 CFR Part 20, 32, and 35 amendments (67 FR 20249), that was due for Agreement State implementation on October 24, 2005.

This is a proposed revision to a final regulation to address an outstanding comment.

- "Medical Use of Byproduct Materials - Recognition of Specialty Boards - Part 35," 10 CFR Part 35 amendment (70 FR 16336 and 71 FR 1926), that was due for Agreement State implementation on April 29, 2008.

This is a final regulation, adopted by the Program and waiting codification. NRC has not yet reviewed the final regulation.

- "Minor Amendments," 10 CFR Part 20, 30, 32, 35, 40, and 70 amendments (71 FR 15005), that is due for Agreement State implementation by March 27, 2009.

This is a final regulation, adopted by the Program and waiting codification. NRC has not yet reviewed the final regulation.

- "Medical Use of Byproduct Material – Minor Corrections and Clarification," 10 CFR Part 32 and 35 amendments (72 FR 45147, 54207), that is due for Agreement State implementation by October 29, 2010.

This is a final regulation, adopted by the Program and waiting codification. NRC has not yet reviewed the final regulation.

- "Requirements for Expanded Definition of Byproduct Material," 10 CFR Part 20, 30, 31, 32, 33, 35, 61, and 150 amendments (72FR 55864), that is due for Agreement State implementation by November 30, 2010.

This is a final regulation, adopted by the Program and waiting codification. NRC has not yet reviewed the final regulation.

- “Occupational Dose Records, Labeling Containers, and Total Effective Dose Equivalent,” 10 CFR Part 19 and 20 amendments (72 FR 68043), that is due for Agreement State implementation by February 15, 2011.

This is a final regulation, adopted by the Program and waiting codification. NRC has not yet reviewed the final regulation.

- “Medical Use of Byproduct Material – Authorized User Clarification,” 10 CFR Part 35 amendment (74 FR 33901), that is due for Agreement State adoption by September 28, 2012.

This is a proposed regulation.

- “Decommissioning Planning,” 10 CFR Parts 20, 30, 40, and 70 (76 FR 35512), that is due for implementation by December 17, 2015.

This is a proposed regulation.

Event Reporting, Including Follow-Up and Closure Information in NMED

The Program reported that since the 2009 review, they have had a total of 9 events reported to NMED with one still open. The Program continues to monitor this event and will close it as information becomes available.

Response to Incidents and Allegations

The Program continues to be sensitive to notifications of incidents and allegations. Incidents are quickly reviewed for their effect on public health and safety. Staff is dispatched to perform onsite investigations when necessary. The Program has placed a high emphasis on maintaining an effective response to incidents and allegations.

Status of Allegations and Concerns Referred by the NRC for Action

No allegations were formally referred by NRC during the period since the last IMPEP review.

Significant Events and Generic Implications

The Program noted they are working to deal with the storage of portable gauges at personal residences.

Current State Initiatives

None noted.

Emerging Technologies

None noted.

State's Mechanisms to Evaluate Performance

The Program uses peer reviews as a means of evaluating and improving performance in the Program. These are used in both the licensing and inspection programs.

Annual supervisor accompaniments are performed. Other mechanisms are also used on a case-by-case basis as issues arise within the Program.

Current NRC Initiatives

NRC staff discussed current NRC initiatives with the State. This included: NRC's medical rulemaking (eg public workshops, opportunity to comment on proposed rule language); upcoming NRC training courses and training application process; guidance regarding the handling and control of sensitive information; voluntary collection of agreement state data on bans, revocations, suspensions, and denials; various NRC Enforcement Guidance memoranda; opportunity to provide comment on IMC 1248; and issuance of the final safety culture policy and availability of electronic materials for state use.

Schedule for the Next IMPEP Review

It is recommended that the next IMPEP review be held on schedule in 2 years.

**PERIODIC MEETING SUMMARY FOR THE REGION IV
RADIOACTIVE MATERIALS PROGRAM**

MEETING DATE: July 12-13, 2011

| FSME Attendees | RIV Attendees |
|--|---|
| 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. 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

Agenda for Management Review Board Meeting
September 1, 2011 1:00 p.m. – 2:30 p.m. EDT, T-2-B5

1. Announcement of Public Meeting to all attendees and request for identification of any members of the public participating in this meeting.
2. MRB Chair convenes meeting. Introduction of MRB members, NRC staff members, State representatives, and other participants.
3. Discussion of Periodic Meetings:
 - a. Illinois
(June 15, 2011) – ML11195A276 - Lynch / Boland
 - b. Nevada
(June 29, 2011) – ML112301058 - Erickson / Caniano / Katanic
 - c. NRC Region IV
(July 12-13, 2011) – ML112260005 - Reis / Dimmick
4. Adjournment

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| Invitees: | Michael Weber, OEDO Bradley Jones, OGC Cynthia Carpenter, FSME Mark Delligatti, FSME David Lew, RI Melanie Rasmussen, IA Joe Klinger, IL Karen Beckley, NV Rob Lewis, FSME Terrence Reis, FSME Lisa Dimmick, FSME | Randy Erickson, Region IV Janine Katanic, FSME Roy Caniano, Region IV Duncan White, FSME Michelle Beardsley, FSME Karen Meyer, FSME Kathryn Brock, OEDO Jim Lynch, RIII Torre Taylor, FSME Anne Boland, RIII Rachel Browder, RIV |
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