

August 7, 2012

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

Mark A. Satoruis, Director
Office of Federal and State Materials
and Environmental Management Programs

David C. Lew, Deputy Administrator
Region I

FROM: Karen N. Meyer, IMPEP Administrative Coordinator */RA/*
Division of Materials Safety and State Agreements
Office of Federal and State Materials
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SUBJECT: MINUTES: JUNE 12, 2012 ARIZONA
MANAGEMENT REVIEW BOARD (MRB) MEETING

Enclosed are the minutes of the MRB meeting held on June 12, 2012. If you have comments or questions, please contact me at (301) 415-0113.

Enclosure: Cover Page and Minutes of the
Management Review Board Meeting

cc w/encl.: Kevin R. Kinsall
Office of the Governor

Karen Beckley, Nevada
Organization of Agreement States
Liaison to the MRB

Management Review Board Members

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MINUTES: MANAGEMENT REVIEW BOARD MEETING OF JUNE 12, 2012

The attendees were as follows:

In person at U.S. Nuclear Regulatory Commission (NRC) Headquarters in Rockville, Maryland:

Michael Weber, MRB Chair, DEDMRT
Bradley Jones, MRB Member, OGC
Duncan White, FSME
Aaron McCraw, Team Leader, RIII
Stephen Poy, FSME
Steven West, FSME

Mark Satorius, MRB Member, FSME
Chris Einberg, FSME
Lisa Dimmick, FSME
Karen Meyer, FSME
Joan Olmstead, FSME
Rich Harper, OGC

By videoconference:

Randy Erickson, Team Member, Region IV
David Lew, MRB Member, Region I

Michelle Beardsley, FSME
Anton Vogel, Region IV

By telephone:

Karen Beckley, MRB Member, NV
Jim Lynch, RIII
Aubrey Godwin, AZ

Joshua Daehler, Team Member, MA
Anne Boland, RIII
Brian Goretzki, AZ

- 1. Convention.** Ms. Lisa Dimmick convened the meeting at 1:00 p.m. (ET). She noted that this Management Review Board (MRB) meeting was open to the public; however, no members of the public participated in this meeting. Ms. Dimmick then transferred the lead to Mr. Michael Weber, Chair of the MRB. Introductions of the attendees were conducted.
- 2. Arizona IMPEP Review.** Mr. Aaron McCraw, Team Leader, led the presentation of the Arizona Integrated Materials Performance Evaluation Program (IMPEP) review results to the MRB. He summarized the review and the team's findings for the six indicators reviewed. The on-site review was conducted by a review team composed of technical staff members from NRC and the State of Massachusetts during the period of March 26-30, 2012. Prior to the onsite review, the team conducted accompaniments of three inspectors. A draft report was issued to State for factual comment on April 20, 2012. The State responded to the review team's findings by letter dated May 7, 2012. The last IMPEP review for Arizona was conducted in March 2008. From the 2008 review, the State was found adequate to protect public health and safety, but needs improvement and compatible with the U.S. Nuclear Regulatory Commission's program. The performance indicators, *Technical Staffing and Training*, and *Technical Quality of Inspections* were found satisfactory, but needs improvement, and *Status of Materials Inspection Program and Technical Quality of Licensing Actions* was found unsatisfactory. Ten recommendations were made concerning these indicators; however at the July 2010 Follow-up IMPEP review, *Technical Staffing and Training*, *Technical Quality of Licensing Actions*, and *Status of Materials Inspection Program*, were found satisfactory, but needs improvement, clearing eight of the recommendations. For the 2012 IMPEP review, the team recommended closure, and the MRB agreed, of four open recommendations. For the recommendation concerning the implementation of the pre-

licensing checklist, the MRB requested the report language used to justify closure be updated. The team described the Agency's improper use of a dated version of the pre-licensing checklist as a "common mistake." The MRB discussed that a better description was a "misinterpretation" of that version of the pre-licensing checklist. The final report was revised accordingly.

3. **Common Performance Indicators.** Mr. McCraw presented the findings regarding the common performance indicator, *Technical Staffing and Training*. His presentation corresponded to Section 3.1 of the proposed final IMPEP report. The review team found Arizona's performance with respect to this indicator to be "satisfactory" and made no recommendations. The MRB agreed that Arizona's performance met the criteria for a "satisfactory" rating for this indicator. The MRB requested one clarification in the report concerning the one technical position that was vacant, but then subsequently not budgeted and therefore, cannot be filled. The final report was revised accordingly.

Mr. Randy Erickson presented the findings regarding the common performance indicator, *Status of Materials Inspection Program*. His presentation corresponded to Section 3.2 of the proposed final IMPEP report. The review team found Arizona's performance with respect to this indicator to be "satisfactory" and made no recommendations. The MRB agreed that Arizona's performance met the criteria for a "satisfactory" rating for this indicator. The MRB requested a report clarification for the inspection frequencies applied by the Agency. As written, the text implied some inspection frequencies might be less frequent than NRC. The report was amended to clarify inspection frequencies are equivalent to NRC.

Mr. Erickson presented the findings regarding the common performance indicator, *Technical Quality of Inspections*. His presentation corresponded to Section 3.3 of the proposed final IMPEP report. The review team found Arizona's performance with respect to this indicator to be "satisfactory" and made no recommendations. The MRB agreed that Arizona's performance met the criteria for a "satisfactory" rating for this indicator.

Mr. Joshua Daehler presented the findings regarding the common performance indicator, *Technical Quality of Licensing Actions*. His presentation corresponded to Section 3.4 of the proposed final IMPEP report. The review team found Arizona's performance with respect to this indicator to be "satisfactory" and made no recommendations. The MRB agreed that Arizona's performance met the criteria for a "satisfactory" rating for this indicator.

Mr. McCraw presented the findings regarding the common performance indicator, *Technical Quality of Incident and Allegation Activities*. His presentation corresponded to Section 3.5 of the proposed final IMPEP report. The review team found Arizona's performance with respect to this indicator to be "satisfactory" and made no recommendations. The MRB agreed that Arizona's performance met the criteria for a "satisfactory" rating for this indicator.

4. **Non-Common Performance Indicators.** Mr. McCraw presented the findings regarding the non-common performance indicator, *Compatibility Requirements*. His presentation corresponded to Section 4.1 of the proposed final IMPEP report. The review team found Arizona's performance with respect to this indicator to be "satisfactory, but needs improvement" and made no recommendations. The MRB agreed that Arizona's performance met the criteria for a "satisfactory, but needs improvement" rating for this indicator. The MRB did question if the team considered an unsatisfactory finding for this indicator. The team responded that they did consider unsatisfactory; however, the team considered the significance of the regulations that were overdue and the program's plan for completing overdue regulations and the team determined the more appropriate finding was satisfactory but needs improvement. The MRB requested the report be revised to include this discussion and also clarify the discussion on the moratorium for rule making in the State of Arizona. The final report was amended as requested by the MRB.

Mr. Daehler presented the findings regarding the non-common performance indicator, *Sealed Source and Device Evaluation Program (SS&D)*. His presentation corresponded to Section 4.2 of the proposed final IMPEP report. Although the Arizona Agreement State Program has authority to conduct SS&D, the Agency did not conduct any SS&D evaluations during the review period nor did the Agency have any pending applications for an SS&D evaluation. Therefore, the review team did not fully review this indicator, and therefore, did not assign an indicator rating.

5. **MRB Consultation/Comments on Issuance of Report.** The MRB found the Arizona Agreement State Program "adequate to protect public health and safety" and "compatible with NRC's program." Based on the results of the current IMPEP review, the MRB agreed that the Next Periodic Meeting will be held in approximately 12 months, to assess the State's continued progress, and that the next IMPEP review of the Arizona Agreement State Program should take place in approximately 4 years. In addition the MRB also agreed that the period of Heightened Oversight of the Arizona Agreement State Program be discontinued.
6. **Precedents/Lessons Learned.** The MRB established no new precedents during this meeting.
7. **Adjournment.** The meeting was adjourned at approximately 1:45 p.m. (ET)