

April 9, 2013

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. Satorius, Director
Office of Federal and State Materials
and Environmental Management Programs

Cynthia D. Pederson, Deputy Regional Administrator
Region III

FROM: Karen N. Meyer, IMPEP Administrative Coordinator */RA/*
Division of Materials Safety and State Agreements
Office of Federal and State Materials
and Environmental Management Programs

SUBJECT: MINUTES: JANUARY 17, 2013 GEORGIA
MANAGEMENT REVIEW BOARD (MRB) MEETING

Enclosed are the minutes of the MRB meeting held on January 17, 2013. 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 : Judson H. Turner, Director
Environmental Protection Division

Alice Rogers, Texas
Organization of Agreement States
Liaison to the MRB

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. Satorius, Director
Office of Federal and State Materials
and Environmental Management Programs

Cynthia D. Pederson, Deputy Regional Administrator
Region III

FROM: Karen N. Meyer, IMPEP Administrative Coordinator */RA/*
Division of Materials Safety and State Agreements
Office of Federal and State Materials
and Environmental Management Programs

SUBJECT: MINUTES: JANUARY 17, 2013 GEORGIA
MANAGEMENT REVIEW BOARD (MRB) MEETING

Enclosed are the minutes of the MRB meeting held on January 17, 2013. 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 : Judson H. Turner, Director
Environmental Protection Division

Alice Rogers, Texas
Organization of Agreement States
Liaison to the MRB

DISTRIBUTION: See Next Page

ML13084A299

| | | | |
|---------------|-------------|------------|------------|
| OFFICE | FSME/MSSA | FSME/MSSA | FSME/MSSA |
| NAME | LDimmick LD | KMeyer | DWhite |
| DATE | 04/02/2013 | 04/09/2013 | 04/04/2013 |

OFFICIAL RECORD COPY

Management Review Board Members

Distribution: DCD (SP01)

RidsEdoMailCenter

RidsFsmeOd

BHolian, FSME

RidsOgcMailCenter

RidsRgn1MailCenter

RLorson, RI

DCollins, RI

RidsRgn3MailCenter

RidsFsmeDmssa

BMcDermott, MSSA

PHenderson, MSSA

JLynch, RSAO/RIII

MOrendi, RSAO/RI

JThompson, RIV

JKatanic, FSME

DSulas, NC

MStephens, FL

DWhite, FSME

LBeardsley, FSME

JFoster, OEDO

JCapp, GA

CMueller, GA

JHardeman, GA

JUssery, GA

JWeil, OCA (2 copies)

MINUTES: MANAGEMENT REVIEW BOARD MEETING OF JANUARY 17, 2013

The attendees were as follows:

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

Michael Weber, MRB Chair, DEDMRT
Mark Satorius, MRB Member, FSME
Brad Jones, MRB Member, OGC
Cynthia Pederson, MRB Member, RIII
Jim Lynch, Team Leader, RIII
Monica Orendi, Team Member, RI
Janine Katanic, Team Member, FSME
James Thompson, Team Member, RIV
Ester Housman, OGC
Sandy Gabrielle, FSME
Joe DeCicco, FSME

Brian McDermott, FSME
Pamela Henderson, FSME
Duncan White, FSME
Lisa Dimmick, FSME
Karen Meyer, FSME
Jac Capp, GA
Chuck Mueller, GA
Jim Ussery, GA
Stephen Poy, FSME
Torre Taylor, FSME
Brian Holian, FSME

By telephone:

Alice Rogers, MRB Member, TX
Diana Sulas, Team Member, NC
Mike Stephens, Team Member, FL
Joan Olmstead, OGC
Jim McNees, AL
Dave Walters, AL
Anne Boland, RIII
Patricia Pelke, RIII
Tamara Bloomer, RIII

Jim Hardeman, GA
Eric Jameson, GA
Michelle Beardsley, FSME
Randy Erickson, RIV
Cheryl Rogers, WI
Steve Matthews, WA
Steve James, OH

- 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. Georgia IMPEP Review.** Mr. Jim Lynch, Team Leader, led the presentation of the Georgia Integrated Materials Performance Evaluation Program (IMPEP) review results to the MRB. He summarized the review and the team's findings for the seven indicators reviewed. The on-site review was conducted by a review team composed of technical staff members from the NRC and the States of Florida and North Carolina during the period of October 22-26, 2012. Prior to the onsite review, the team conducted inspection accompaniments of six inspectors. A draft report was issued to the State for factual comment on November 27, 2012. The State responded to the review team's findings by letter dated December 27, 2012. The last IMPEP review for Georgia was conducted in September 2008 and the Program was found adequate, but needs improvement, and compatible. The MRB directed a period of Monitoring to monitor the effects of a State-wide hiring freeze, staff attrition, and weakness in the Program's training and qualification program. During the October 2012 IMPEP, the review team identified an overall declining performance by the Program. The review team identified a

misunderstanding of basic elements of radiation safety as well as communication issues affecting the safety culture of the program.

Common Performance Indicators. Ms. Monica Orendi presented the findings regarding the common performance indicator, *Technical Staffing and Training*. Her presentation corresponded to Section 3.1 of the proposed final IMPEP report. The review team found that at the time of the review the State's staffing plan indicated that two positions were vacant and a third position was removed from the plan during the review period which could be reinstated depending on funding. The State reported to the MRB that since the IMPEP review they had dismissed the Program Manager (who was a qualified Sealed Source and Device (SS&D) reviewer; hired two new staff and moved one staff to the SS&D program. The MRB requested that Recommendation No. 11 be revised in the final report to indicate that the Program now needs to qualify "two" additional SS&D reviewers. Regarding staff training, Ms. Orendi noted that the team concluded that while the training program was adequate, it was determined through interviews with staff and management, and also during the inspection accompaniments, that current knowledge of inspection and licensing procedures was lacking. The team also observed significant communication issues between staff and management which negatively affected the safety culture of the Program. The State noted that they believed the communication issues between the staff and the Program manager created significant problems throughout the Program which prompted them to dismiss the manager. The MRB asked the team why they were not making a recommendation in this section. The team responded that they made recommendations in other sections of the report which addressed these issues. The MRB questioned the team as to why they were recommending a finding of satisfactory, but needs improvement as opposed to unsatisfactory. The team explained that according to the criteria in Management Directive (M.D.) 5.6, the State met more of the criteria for satisfactory, but needs improvement. It was noted that M.D. 5.6 does not fully address the quality of training.

The review team found Georgia's performance with respect to this indicator to be "satisfactory, but needs improvement" and made no recommendations. The MRB agreed that Georgia's performance met the criteria for a "satisfactory, but needs improvement" rating for this indicator.

Mr. Lynch 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. Mr. Lynch reported that the team found that the State conducted 36 out of 247 Priority 1, 2 and 3 inspections and four out of 20 initial inspections or 19.5 percent overdue during the review period and noted that this was an increase from the previous IMPEP (15% overdue). The team also determined that four out of six Priority 1 inspections were conducted overdue which could possibly impact public health and safety as these are inspections of activities with high safety significance.. The MRB asked the team if the overdue inspections were caused by a lack of staff and or funding. Mr. Lynch responded that the team believed that while the staffing issue contributed somewhat, the root cause appeared to be a lack of prioritization and expectations not appropriately communicated. In addition, program funding is not an issue. State staff can travel for inspections. The team also noted that the State's current organizational structure of regional programs contributed to this, as routine and

reciprocity inspections were conducted depending on geographical location rather than safety significance. The State managers attending the MRB reported that since the review they have reorganized their program and trained staff to take a “team approach” in prioritizing, scheduling, and conducting inspections based on priority.

The review team found Georgia’s performance with respect to this indicator to be “satisfactory, but needs improvement” and made one recommendation for the State to develop and implement a plan to complete the higher priority and initial inspections in accordance with the inspection frequencies specified in IMC 2800. The MRB agreed that Georgia’s performance met the criteria for a “satisfactory, but needs improvement” rating for this indicator.

Mr. James Thompson 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. Mr. Thompson reported that the team found that the inspection procedures used by the Program were not consistent with IMC 2800 including recent revisions to this procedure regarding security inspection frequency, requirements for initial security inspections and pre-licensing visits. The team also found significant issues during the inspection accompaniments with inspector’s lack of knowledge of the requirements. The MRB expressed concerns and questioned those present as to why this was not identified in previous IMPEP’s, periodic meetings and quarterly monitoring calls. Team members explained that some of the same issues were identified in the 2008 IMPEP; however, during the Periodic Meetings and monitoring calls, staff relies on information provided by State management and does not typically perform casework reviews. In the case of Georgia, NRC staff relied on information from the program manager who never provided specific numbers on overdue inspections even though this information was requested prior to each meeting and call. The MRB asked the team if they felt that the inspection staff was rejecting their responsibilities for performing security inspections appropriately. The team responded that they found it was more of an issue with the staff’s lack of understanding of what was required. The MRB asked the State what action been taken since the IMPEP. The State managers indicated that they drafted causal analysis and found that some staff were not doing adequate inspection preparation and the State is working to address inspection preparation. The MRB was also concerned whether there are unsafe areas in radiography. The State indicated that a team approach is being taken for radiography inspections.

The review team found Georgia’s performance with respect to this indicator to be “unsatisfactory” and made three recommendations: (1) for the State to update its inspection procedures to include the most recent revisions to IMC 2800, including the implementation of inspection guidance for NSTS reviewers; (2) for the State to perform Increased Controls security inspections at least as frequently as the priority of the license being inspected; and (3) for the State to perform a causal analysis regarding the deficiencies identified during the inspection accompaniments. The MRB agreed that Georgia’s performance met the criteria for an “unsatisfactory” rating for this indicator.

Ms. Diana Sulas presented the findings regarding the common performance indicator, *Technical Quality of Licensing Actions*. Her presentation corresponded to Section 3.4 of the proposed final IMPEP report. Ms. Sulas reported that the team’s review of licensing

actions revealed that several of the State's licensing guidance documents had not been updated since new regulations were adopted in 2008, most specifically with the medical guidance. The review team identified five medical licenses that added authorized users without the proper documentation. The team also found issues with implementing the pre-licensing guidance and the methodology for identifying licenses requiring implementation of Increased Controls in all cases where appropriate. The MRB questioned if evaluation of the pre-licensing criteria was included in the inspections. The team responded that it was noted in some, but not all. The MRB questioned the State as to why and how they were unaware of this issue. The State acknowledged that there was a lack of followup by management and reported that they are addressing all of the recommendations made in the report and implementing corrective actions to increase management oversight in this area. The MRB also asked the team why a finding of "unsatisfactory" was not recommended for this indicator. The team responded that they found many instances where licensing reviews were of good technical quality and therefore they believed, met the criteria for a finding of "satisfactory, but needs improvement."

The review team found Georgia's performance with respect to this indicator to be "satisfactory, but needs improvement" and made three recommendations: (1) for the State to update its medical licensing guidance documents to be consistent with Georgia regulations; (2) for the State to verify that all previously approved medical authorized users have proper documentation of their qualifications since the new requirements were issued in 2008; and (3) for the State to implement pre-licensing guidance for all licensing actions to provide assurance that radioactive material will be used as specified on the license. The MRB agreed that Georgia's performance met the criteria for a "satisfactory, but needs improvement" rating for this indicator.

Dr. Janine Katanic presented the findings regarding the common performance indicator, *Technical Quality of Incident and Allegation Activities*. Her presentation corresponded to Section 3.5 of the proposed final IMPEP report. Dr. Katanic reported that the review team found the State's responses to incidents and allegations were not well coordinated, not consistent, untimely, and in several cases not thorough. Two incidents involved exposures to the embryo/fetus that could have required 24-hour reporting and may have met the Abnormal Occurrence reporting criteria; however there was insufficient information in the file as to the final dose estimate. The team found that the staff was unsure as to how to determine whether an incident is reportable/not reportable. The team determined that the State did not have either formal or informal procedures for responding to radioactive materials events which led to inconsistencies in event evaluation and response. The team also found that there was no expectation that the Program manager be made aware of reported incidents, which also contributed to the inconsistencies in the type, level and timeliness of Program response. Dr. Katanic stated that the team found the State's response to allegations was not well coordinated, not consistent and not well documented. The team determined that the Program often failed to take prompt and appropriate actions in response to concerns raised.

The review team found Georgia's performance with respect to this indicator to be "unsatisfactory" and made three recommendations: (1) for the State to develop, document, provide training to the Program staff on, and implement a procedure to notify

the NRC of reportable incidents in a complete, timely and accurate manner in accordance with Office of Federal and State Materials and Environmental Management Programs Procedure SA-300 "Reporting Material Events."; (2) for the State to strengthen its incident response program and take measures to (a) develop, document, implement, and provide training to the Program on the incident response procedure; (b) ensure that reported incidents are promptly evaluated to determine the appropriate type and level of Program response, including providing for Program management notification and review; (c) ensure that incidents are responded to with an appropriate level of effort and in a timeframe commensurate with the potential health and safety and/or security consequences of the incident; (d) ensure that licensee written reports are reviewed for completeness and appropriate corrective actions; and (e) ensure that the Program's evaluation of licensee incidents, whether based on a review of licensee reports, on-site reviews, or inspection followup, is properly documented to facilitate future followup; and (3) for the State to revise, enhance, implement, and provide training to the staff on its Allegation Procedure, including providing additional written guidance on (a) recognizing and identifying allegations; (b) notifying Program management of all received allegations; (c) promptly evaluating allegations for safety and security significance; (d) ensuring that the level of effort and timeliness in responding to allegations is commensurate with the potential significance of the allegation; and (e) tracking all allegations to ensure timely review and closure and timely feedback to allegeders.. The MRB expressed concerns with the State's poor performance regarding incident and allegation evaluation and response. The MRB noted that it appeared to be due to an incredible breakdown in program oversight and asked the State if they feel confident that they can solve these problems. The State agreed with the MRB's evaluation and stated that they now have new management who will provide greater oversight and increased accountability of the Program by both management and staff. The MRB agreed that Georgia's performance met the criteria for an "unsatisfactory" rating for this indicator.

3. **Non-Common Performance Indicators.** Ms. Orendi presented the findings regarding the non-common performance indicator, *Compatibility Requirements*. Her presentation corresponded to Section 4.1 of the proposed final IMPEP report. Ms. Orendi noted that during the review period, Georgia submitted one final regulation amendment and no proposed regulations to the NRC for review; and that at the time of the review, the State had four overdue regulation amendments. The team found that the Program has drafted proposed regulations for the four overdue amendments and plans to submit them for NRC review in the Spring of 2013. The review team found Georgia's performance with respect to this indicator to be "satisfactory" and made no recommendations. The MRB agreed that Georgia's performance met the criteria for a "satisfactory" rating for this indicator.

Mr. Stephens 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. The team found that at the time of the review, the State had two qualified reviewers; however the Program manager performed only concurrence reviews. The State reported that with the loss of the manager, they reassigned one of the staff with an engineering background to the SS&D program. The team also determined that there were occasional significant delays from the time the State receives an application to issuance (i.e. from 1-5 years). The team also noted a

significant number of inactive registry sheets that the Program has not processed which was also a finding during the 2008 IMPEP review. The MRB asked the State when they would expect to have a decision as to their plans to return the SS&D program to the NRC. The State responded that they should have a decision within one year. The review team found Georgia's performance with respect to this indicator to be "satisfactory" and made one new recommendation for the State to develop and implement a plan to inactivate SS&D registrations for devices and sources that are no longer being made or distributed; and kept open the recommendation from the 2004 IMPEP for the State to qualify one additional reviewer in SS&D evaluations to provide backup for the principal reviewer.. The MRB agreed that Georgia's performance met the criteria for a "satisfactory" rating for this indicator.

4. **MRB Consultation/Comments on Issuance of Report.** The MRB found the Georgia Agreement State Program "adequate to protect public health and safety, but needs improvement", and compatible with NRC's program." Based on the results of the current IMPEP review, the MRB agreed that the next IMPEP review of the Georgia Agreement State Program should take place within approximately one year from the date of the MRB meeting to assess the State's progress in addressing the open recommendations and the programmatic issues identified during this review. The MRB also discussed and agreed with the team's recommendation that the State be placed on Probation due to the significant performance issues identified, lack of management oversight, and poor safety culture noted within the Program. The MRB agreed by a split decision. The majority view cited the significant communication issues, the lack of understanding and practice of key regulatory program elements, and the lack of responsiveness by the Program to address potential radiation safety incidents brought to the attention of the Program during the review period. The performance of the Georgia program was a significant outlier unlike performance concerns observed in other programs. The minority view cited the strong response and commitment by Georgia management to address the issues once identified.
5. **Precedents/Lessons Learned.** This is the first Agreement State Program to be recommended for Probation. It should be noted that a period of Heightened Oversight of the Georgia Agreement State Program was initiated until the Commission reviews and provides a decision on the MRB's recommendation to place the State on Probation.
6. **Adjournment.** The meeting was adjourned at approximately 4:15p.m. (ET)