



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

May 2, 2017

MEMORANDUM TO: Kriss M. Kennedy, Administrator
Region IV

FROM: Daniel S. Collins, Director */RA/*
Division of Material Safety, State, Tribal
and Rulemaking Programs
Office of Nuclear Material Safety
and Safeguards

SUBJECT: JANUARY 24, 2017, PERIODIC MEETING UNDER THE
INTEGRATED MATERIALS PERFORMANCE EVALUATION
PROGRAM

A periodic meeting with the U.S. Nuclear Regulatory Commission Region IV office was held on January 24, 2017. The purpose of the meeting was to review and discuss the status of Region IV's Radioactive Materials Program. The Office of Nuclear Material Safety and Safeguards was represented by Lisa Dimmick, Paul Michalak, and myself. Specific topics and issues of importance discussed at the meeting included the status of operating plan and performance metrics, status of staffing and training, licensing and inspection activities, and a review of regional self-assessments.

Enclosed is a general meeting summary. There were no performance concerns with respect to the Integrated Materials Performance Evaluation Program criteria identified. A Management Review Board (MRB) meeting to discuss the outcome of the periodic will be scheduled at a later date. Once scheduled, video conferencing information for the MRB will be provided in a separate transmission.

I appreciate the support and preparation for this periodic meeting from the Region IV management and staff.

Enclosure:
Periodic Meeting Summary

cc: Mark Shaffer, Director
Division of Nuclear Materials Safety

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PERIODIC MEETING SUMMARY FOR
 NRC REGION IV RADIOACTIVE MATERIALS PROGRAM
 DATE OF MEETING: January 24, 2017

NRC Nuclear Material Safety and Safeguards (NMSS) Attendees	NRC REGION IV Attendees
Dan Collins, Director Division of Material Safety, State, Tribal and Rulemaking Programs	Kriss Kennedy, Regional Administrator NRC Region IV
Paul Michalak, Branch Chief Agreement State Programs Branch Division of Material Safety, State, Tribal and Rulemaking Programs	Mark Shaffer, Director Division of Nuclear Materials Safety
Lisa Dimmick, Senior Health Physicist Agreement State Programs Branch Division of Material Safety, State, Tribal and Rulemaking Programs	Linda Howell, Deputy Director Division of Nuclear Materials Safety
	Ray Kellar, Branch Chief Nuclear Materials Safety Branch A
	Vivian Campbell, Branch Chief Nuclear Materials Safety Branch B
	Lee Brookhart, Branch Chief Fuel Cycle and Decommissioning Branch
	Randy Erickson, State Agreements Officer Region IV
	Binesh Tharakan, State Agreements Officer Region IV
	Michael Vasquez, Technical Assistant

DISCUSSION:

The previous Integrated Materials Performance Evaluation Program (IMPEP) review of the U.S. Nuclear Regulatory Commission (NRC) Region IV office was conducted April 28–May 2, 2014. The review team found Region IV’s performance to be satisfactory for all applicable performance indicators. The review team did not open any recommendations regarding program performance and there were no recommendations from prior IMPEP reviews to close. Accordingly, the review team recommended, and the Management Review Board (MRB) agreed, that the Region IV program is adequate to protect public health and safety. In addition, Region IV was given a 1-year extension of its next IMPEP review for having two consecutive IMPEP reviews with all indicators found satisfactory. The MRB directed that the next IMPEP review be in 5 years (May 2019) with a periodic meeting held mid-cycle. This summary is a reflection of that periodic meeting which was held on January 24, 2017.

The following topics were discussed during the periodic meeting:

I. Status of the Region’s Program

The NRC Region IV radioactive materials program is administered by the Division of Nuclear Materials Safety (DNMS) which is managed by a Director and Deputy Director. DNMS is

composed of three branches: Nuclear Materials Safety Branch (NMSB) A, NMSB B, and Fuel Cycle and Decommissioning Branch. In addition, DNMS has two State Agreement Officers, a Technical Assistant, and two Administrative Assistants. Since the 2014 IMPEP review, there have been a number of staffing changes within DNMS, including a new Division Director, rotation of Branch Chiefs within the three DNMS branches, the creation of the Technical Assistant position, and shifting of technical staff among the three branches. DNMS plans to implement a reorganization¹ during fiscal year (FY) 2017 that will combine oversight activities into two branches (rather than the current structure of three branches) resulting in a reduction of two full-time equivalents (FTE). These FTE adjustments are specified in the regional consolidation evaluation and the Project Aim 2020 effort.

II. Status of operating plan metrics:

The Region provided its operating plan metric data for FY2014, 2015, 2016, and first quarter 2017 for review and discussion by meeting participants. No issues were identified with respect to operating plan metrics for annual outcomes. Specific areas of the operating plan metrics in inspection and licensing as they relate to the IMPEP performance indicators are discussed below.

III. IMPEP Performance Indicators

1. *Technical Staffing and Training (2014 IMPEP: Satisfactory)*

At the time of the periodic meeting, DNMS reported that it had 11 technical staff positions and 2 licensing assistants for the oversight of the nuclear materials users (NMU) program, and a total of 11 technical staff positions for the oversight of decommissioning, independent spent fuel storage installation, and uranium recovery programs. In January 2017, DNMS had two vacancies in the decommissioning area and one vacancy in the NMU area. DNMS stated that interviews were being conducted and DNMS expected to fill the positions within 60-90 days (April/May 2017).

Since the 2014 IMPEP review, DNMS experienced some staff turnover due to retirements and transfers. A total of eight individuals left DNMS: five retired from the NRC and three permanently transferred out of DNMS. These eight positions were promptly filled (seven individuals transferred into DNMS and one person was hired from outside the NRC).

DNMS follows the training requirements found in Inspection Manual Chapter (IMC) 1248, "Formal Qualifications Program for Federal and State Material and Environmental Management Programs" for initial qualification of staff as well as refresher training. Refresher training is normally provided during an annual 3-day regional seminar. Since the last IMPEP review, one individual completed qualification as a decommissioning inspector, one individual became interim certified as a uranium recovery inspector, and one individual completed qualification as a materials inspector.

¹ The reorganization was implemented subsequent to the periodic meeting on March 20, 2017.

2. Status of Materials Inspection Program (2014 IMPEP: Satisfactory)

Since the 2014 IMPEP review, DNMS reported that it conducted 291 routine Priority 1, 2, and 3 inspections and 78 initial inspections. All inspections but one were conducted timely. One inspection was conducted over due by eight days. There were no overdue inspections at the time of the periodic meeting. DNMS further noted that it conducted overall 600 materials inspections consisting of Priority 1-5 reactive and routine inspections, initial inspections, assist inspections for other regions, followup inspections from escalated enforcement, temporary jobsite inspections (not part of a routine inspection), and security order inspections. Of these inspections, there were only six instances where inspection documents were not communicated to the licensee within 30 days after the exit briefing.

During the 2014 IMPEP review period, DNMS did not meet the reciprocity inspection metric of 20 percent candidate licensees in any of the calendar years covered by the review period. As a result, DNMS revised its management process for reciprocity to include (1) a check on reciprocity activities by inspectors before leaving a location of where they have been inspecting, and (2) NMSB-B will prioritize Priority 1-3 licensees who file for reciprocity and inform senior inspectors and the NMSB-A Branch Chief of these inspection opportunities. NMSB-A then determines if an inspector can be dispatched from the office or whether an inspector is in the vicinity where the work is occurring in order to conduct reciprocity inspections. Despite these initiatives to increase reciprocity awareness, DNMS did not meet the reciprocity metric in 2015 or 2016. The candidate reciprocity licensees inspected these years were at 11 and 17 percent, respectively. DNMS noted the travel budget restrictions, RIV's geography, and the increased number of candidate licensees as factors that impeded reciprocity goals. Based on its performance in FY2015 and FY2016, NMSB-A will more closely monitor the number of candidate reciprocity licensees and plan to conduct extra reciprocity inspections earlier in the year to ensure that if additional candidate reciprocity licensees file a request in the latter part of the calendar year, the additional reciprocity inspections will cover the expectation of 20 percent.

3. Technical Quality of Inspections (2014 IMPEP: Satisfactory)

DNMS noted that inspection quality is self-evaluated through audits (see Section IV, Review of Regional self-assessments). From the audits, DNMS concluded and reported that materials inspections were conducted in accordance with IMC 2800, "Materials Inspection Program." The audits found that materials inspectors focused on health, safety, and security. Generally, inspection documentation was complete and of high quality. Health, safety, and security documentation was generally well defined and report findings were well documented. Procedures were in place and inspectors followed procedures to identify poor licensee performance or declines in licensee performance resulting in regulatory action. Annual supervisory accompaniments have been performed with one exception.

4. Technical Quality of Licensing Actions (2014 IMPEP: Satisfactory)

DNMS noted that licensing quality is self-evaluated through audits (see Section IV, Review of Regional self-assessments). From the audits, DNMS found that license reviewers were normally following the appropriate guidance in NUREG 1556. An area for improvement related to the timeliness, adherence to guidance, and attention to detail issues for licensing actions was identified during the self-audit.

5. *Technical Quality of Incidents and Allegations (2014 IMPEP: Satisfactory)*

From May 1, 2014, to December 31, 2016, DNMS noted that there were 70 events in Region IV that were considered "NRC Reportable." Of those 70 events, 60 were evaluated by DNMS and 55 of those events have been closed in the Nuclear Materials Events Database, leaving 5 events under review. Ten events were evaluated by other NRC regions or headquarters branches. DNMS noted that it receives a large number of notifications of well abandonment of irretrievable sources under 10 CFR 39.77. Specifically, of the 60 events evaluated by DNMS, there were 31 Licensee Event Reports involving well logging abandonment of irretrievable sources.

DNMS reported that it closed 62 allegations during the review period between May 1, 2014, and December 31, 2016. In addition, two allegations related to uranium recovery sites were closed and three related to decommissioning facilities were closed. DNMS follows Management Directive 8.8, the Allegation Manual, and internal RIV processes to conduct the Allegation Review Board and to decide on the response to allegations. RIV conducted inspections in response to allegations (13 instances involving materials licensees, 3 instances involving decommissioning sites, and 1 instance involving a uranium recovery site).

6. *Uranium Recovery (2014 IMPEP: Satisfactory)*

In the 2014 IMPEP review, the review team noted that some uranium recovery inspection reports were not issued timely. At that time, DNMS had two qualified uranium recovery inspectors, but only one primary inspector. Since the IMPEP review, a DNMS audit found that 6 of 17 inspection reports for routine inspections at operating facilities were issued late (more than 30 days and more than 45 days for a team inspection). DNMS took corrective action and qualified additional staff to support the uranium recovery inspections. None of the inspection reports issued after FY2015 have been late. In addition, all pre-operational uranium recovery inspections have been conducted on time and reports issued timely.

IV. Review of Regional self-assessments:

Self-assessments of the materials program are conducted quarterly by the DNMS branches. Per DNMS management, branch chiefs take corrective actions which include discussions with the individual involved and/or the branch for identified findings.

In addition to quarterly audits, the DNMS Director chartered, on April 5, 2016, a Performance Evaluation Team to conduct a comprehensive audit of the Nuclear Materials Users, Decommissioning & Low Level Waste, and Spent Fuel Safety & Transportation Business Lines to evaluate potential impacts on public health and safety and the root causes for program areas that do not fully meet established performance criteria, NRC policies, and/or program office guidance. Although the evaluation team used the IMPEP audit program guidance as the starting point for the evaluation, the team performed a "deep-dive" into each program area to identify any deficiencies and/or areas for improvement for DNMS. The team reviewed DNMS activities for the time period from May 1, 2014 (the last IMPEP review) through March 31, 2016. Corrective actions were developed for team observations and are being implemented per DNMS management.

V. NMSS initiatives that may impact the Regions:

NMSS staff presented status of several current initiatives ongoing at NRC. These included:

- Project AIM
- NUREG 1556 series update
- Status of the combined policy statements on adequacy and compatibility
- Status of the Government Accountability Office license audit
- Web Based Licensing (WBL)
- Wyoming and Vermont pursuing agreements

DNMS offered feedback on the impact of some of the NMSS initiatives.

- The Region is sometimes challenged with providing a technical staff member to support all of the requests from NMSS for working groups, rulemaking efforts, drafting generic guidance, and other such activities. Recent examples of Region IV's support includes working groups related to materials licensing and materials inspections; participation in developing guidance related to military and non-military radium; involvement in developing the military depleted uranium implementation plan; review and implementation of the Department of Defense/NRC memorandum of understanding; and radon guidance document for uranium recovery sites.
- There were some challenges in the rollout of WBL, such as with the license templates and formats. However DNMS recognized there would be an initial learning curve and the transition to WBL is going more smoothly.
- Wyoming has requested to become an Agreement State for uranium recovery facilities. The anticipated date for the Wyoming agreement is the fourth quarter of 2018. When Wyoming becomes an Agreement State, DNMS will lose about two-thirds of its uranium recovery inspection work.

CONCLUSION:

No performance concerns with respect to the IMPEP criteria were identified. There are no overdue inspections or backlog of licensing actions. Response to incidents and allegations has been appropriate. No concerns with staffing and training were noted. Staff recommends to the MRB that the next IMPEP review of the Region IV radioactive materials program be held in FY2019 as currently scheduled.