



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
1600 EAST LAMAR BOULEVARD
ARLINGTON, TEXAS 76011-4511

June 3, 2019

MEMORANDUM TO: Paul Michalak, Chief
State Agreement and Liaison Programs Branch
Division of Materials Safety, Security, State and Tribal Programs
Office of Nuclear Material Safety and Safeguards

FROM: Scott A. Morris
Regional Administrator

SUBJECT: DRAFT REPORT OF THE INTERGRATED MATERIALS
PERFORMANCE EVALUATION PROGRAM REVIEW OF THE
REGION IV MATERIALS PROGRAM

Thank you for the opportunity to review the subject draft report. We believe the draft report provides an accurate overall assessment of the implementation of the Region IV radioactive materials licensing and inspection programs during the subject review period. We did identify a few areas where we are suggesting clarification, as described in the enclosure.

We commend the team on their professionalism and dedication to obtaining information and conducting a performance-based evaluation to ensure regional programs provide adequate public health and safety. In addition, we greatly appreciated the exchange of information between the team members and regional staff.

Should you have any questions concerning our comments, please contact Linda Howell, Acting Director, Division of Nuclear Materials Safety.

Enclosure:
As stated

CONTACT: Linda L. Howell, DNMS
817-200-1287

COMMENTS ON DRAFT REGION IV INTEGRATED MATERIALS PERFORMANCE EVALUATION PROGRAM REPORT

General

The Region suggests that all references to areas examined outside the scope of the IMPEP, such as reactor decommissioning, should be removed from the report.

Section 3.1 - Technical Staffing and Training

Page (pg) 3, Paragraph (P)1: Region IV recommends that the text stating 16 staff members and managers left the program be modified to reflect there were seven staff members that left the materials program and seven individuals in either supervisory or director positions who retired or transferred to other responsibilities. All the positions within DNMS were subsequently filled where vacancies occurred. Please note that the number of staff members identified above differs from the nine identified in the draft report because the Region identified that two of the original nine staff members were assigned to the reactor decommissioning program, and therefore, the Region recommends not including them in the assessment for the IMPEP program review.

Pg 3, P1: Region IV recommends a correction to the number of staff members who were hired from outside the agency. There was only one individual who was hired from outside the agency. The other four staff members transferred from other organizations within the NRC, including HQs, Region 1, and Region IV. In addition, please note that two of those four staff members (who had transferred from within the NRC) were not assigned to the materials program, but were assigned to the reactor decommissioning program, and therefore, should not be included in the staffing assessment for the IMPEP review.

Pg 3, P2: Region IV recommends removing the reference to uranium recovery staffing from this portion of the report and include it in the non-common performance indicator portion. In addition, the context of the last sentence could lead to the wrong impression that there was degradation in performance; therefore, the Division suggests that the sentence be modified to state: "that while staffing levels changed there was no degradation in performance."

Section 3.2 - Status of Materials Inspection Program

Pg 5, P1: Region IV calculated different percentages of reciprocity inspections for 2016 and 2017. The number of candidates in 2016 was 46 and 7 reciprocity inspections (Priority 1, 2, and 3) were performed; therefore, the percentage should be 15 percent. The number of candidates in 2017 was 37 and 8 reciprocity inspections (Priority 1, 2, and 3) were performed; therefore, the percentage should be 21.6.

Pg 5, P4: Region IV suggests modifying the paragraph to clearly state: "The team identified that the Region continued to not meet the 20 percent goal for each year for reciprocity inspections established in NRC's IMC 1220. The team determined that a number of factors, including geography and timing, contributed to the failure to meet the 20 percent reciprocity inspection goal."

Section 3.3 - Technical Quality of Inspections

Pg 6, P4: Region IV suggests that the terms "industrial," "commercial," and "service" be more descriptive for the casework that was reviewed. In addition, since the Division has one master materials license, then the report should reflect "a master materials license."

Pg 6, P5: For the last sentence of the paragraph, Region IV suggests providing additional clarification regarding the one inspection that did not address previously identified open items and violations, by clarifying whether it was a failure to inspect these items or a failure to appropriately document these items.

3.4 - Technical Quality of Licensing Actions

Pg 8, P1: Region IV suggests removing the term "industrial" for commercial nuclear pharmacy or better clarify the types of casework that was reviewed.

Pg 8, P3: Region IV suggests expounding on the licensing casework evaluations performed throughout the review period in order to put the new peer review process into perspective and to clarify that not "all" of the licensing actions were being peer reviewed prior to issuance. The Division performed quarterly quality control checks of a sample of licensing casework throughout the review period. In response to the pre-IMPEP audit, the Division initiated a new peer review process that supplemented the quarterly quality control checks. After further operating experience, the types of licensing actions being reviewed may be adjusted with management approval.

Pg 8, P3: Region IV recommends clarifying the last sentence regarding the types of errors that were identified during the new peer review process prior to issuing the licensing actions. Also, the last sentence appears to indicate that the errors involved security marking on the documents and we are not certain that is the case.

4.1 - Uranium Recovery Program

Technical Staffing and Training

Pg 13, P1 and 2: For clarity and context, Region IV suggests combining the two paragraphs to reflect the uranium recovery staffing levels chronologically, starting with 2014 and 2015, and ending with the transfer of the program to Wyoming. In addition, one of the inspectors that was transferred during 2018, was transferred to another Division (DRS) in the Region and did not remain in DNMS.

Pg 13, P3: Region IV recommends providing further context regarding the two uranium recovery inspectors qualification documentation matter. The Division suggests modifying the paragraph chronologically for the two uranium recovery inspectors who were trained, qualified, and interim certified; however, the formal documentation was not performed in a timely manner. The Division suggests the paragraph should describe that based on interviews, the IMPEP team determined that during 2016, one inspector received verbal approval and one inspector received hand-written approval for interim qualification. The two inspectors subsequently performed independent inspections that reflected their interim qualifications during 2016 and 2017. However, formal documentation of their interim qualifications was not completed until April 2017.

Status of Uranium Recovery Inspection Program

Pg 13, P4: Region IV suggests that the description and analysis of the uranium recovery program be separated into operational and decommissioning activities because there are differences between inspection frequencies and safety significance for the two programs. In addition, the contributing factors should be expanded in the description to support the team's recommendation. At the time of the IMPEP review there had been 65 uranium recovery inspections performed (38 operational inspections and 27 decommissioning inspections). There were 13 overdue inspections for the operational uranium recovery program, that reflects 34 percent. The length ranged from 24 days to 220 days overdue. Several factors contributed to the overdue inspections including staffing, workload, and inclement weather in the Wyoming area. There were 10 overdue inspections in the decommissioning uranium recovery program, which is 37 percent. Five of these inspections were deferred by direction or consultation with NMSS, or the U.S. Department of Energy had submitted draft long-term surveillance plans (LTSP) to the NRC and the inspectors were waiting for the final LTSP to be issued in order to inspect the licensees. As a result, these facilities had not been inspected for several years, although they were identified and tracked in the master inspection plan. For the remaining sites, the Division identified there were no significant activities occurring at the sites and the sites were consequently judged to be of low safety significance. Given the limited availability of inspectors, the scheduled inspections were delayed.

Pg 13, P4: Region IV suggests stating that uranium recovery inspection reports are issued at either 30 days or 45 days (for team inspections) from the final exit date, as specified in IMC 2641; or use the term "final exit date" as the reference because timeliness is not always 30 days as indicated in the draft report. The Division issued 4 out of 65 uranium recovery inspection reports past the required issue date. The 4 late reports were issued during the 2014-2015 timeframe. The Region believes that a large majority of the inspection findings were communicated to the licensees in a timely manner. In addition, the IMPEP report should clarify that the Division typically extends the final exit date because the inspector is waiting on analytical laboratory results for radioactive samples associated with the inspection, the inspector is continuing to perform in-office reviews associated with the inspection, or management review of potential enforcement issues was ongoing.

Technical Quality of Inspections

Pg 15, P2: Region IV developed the "DNMS Branch Chief Accompaniments Job Aid," which references Regional Policy Guide 1038, "Management Oversight of NRC Activities at Region IV Facilities." While DNMS decided to utilize NRC Form 649, there is not a requirement in the Regional Policy Guide to fully complete the form but that the "documentation should be sufficient for annual verification of the accompaniment by division management." Based on the Regional guidance, the Division suggests that the last sentence in this paragraph be eliminated.

Technical Quality of Incident and Allegation Activities

Pg 15, P5: The draft IMPEP report indicates that the "Division" has written procedures for allegations; however, they are considered "Regional Policy Guides."

Pg 15, P7: The draft IMPEP report indicates individuals' identities were protected, "as allowed by law." Region IV suggests that the phrase "as allowed by law" be deleted since protecting the identify is an agency policy.

Evaluation

Pg16, P1: Region IV acknowledges that the Team recognized that the two uranium recovery inspectors were trained, had management accompaniments, and received either verbal or written interim qualifications prior to performing independent uranium recovery inspections. Therefore, the Region questions how it failed to meet one of the performance indicator objectives. As noted in the report, this was a documentation issue and not a performance issue since the individuals were trained and interim-qualified. The Region recommends deleting this bullet.

Pg16, P2: Region IV recommends that the report reflect "formal" documentation for the interim qualification in lieu of "proper" documentation.

Pg16, P2: There is not a requirement to perform inspections at pre-construction facilities; therefore, the Division recommends that this sentence be removed as an example.

Pg16, P2: Region IV suggests providing further context and supplemental information regarding the supervisory inspection accompaniments to further support the recommendation. The accompaniments were successfully performed for each inspector except for two cases during the review period, in which an inspector only performed one inspection during the year and the second inspector was out on sick leave for a prolonged period, but was accompanied when s/he returned to the office.

Pg16, P2 and 3: Region IV suggests providing further context and supplemental information regarding the performance indicator for ensuring inspection findings were communicated to the licensee in a timely manner. As discussed on page 13 of the report, 4 out of 65 inspection reports were issued beyond the due date between 2014 and 2015. During the remainder of the review period, all the uranium recovery inspection reports were issued on time. Therefore, the Region believes we met the performance indicator objective since a large majority of the findings were communicated in a timely manner.

Pg16, P2 and 3: Regarding the performance indicator objective regarding a plan to perform any overdue inspections or establish a basis to perform any overdue inspections or reschedule the inspections, Region IV suggests adding a couple of sentences because the evaluation description lacks context for this performance indicator objective. Region IV suggests including a statement that the inspection staff interfaced with NMSS or DNMS management on the rescheduling of the uranium recovery inspections; however, these discussions and decisions were not documented. As a result, the Region developed a process to document management decisions when inspections needed to be deferred or rescheduled.