

STATE OF ILLINOIS  
**DEPARTMENT OF NUCLEAR SAFETY**

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George H. Ryan  
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Thomas W. Ortziger  
Director

July 27, 1999

U.S. Nuclear Regulatory Commission  
Document Control Desk  
P1-37  
Washington, DC 20555-0001  
Attn: Paul H. Lohaus, Director, OSP

Re: AGREEMENT STATES LETTER (SP-99-037)

Dear Mr. Lohaus:

The Illinois Department of Nuclear Safety (Department) hereby submits its comments on the referenced letter, which requested comments on Draft Policy and Guidance Directive PG 83-2, Revision 1, Supplement 1, "Renewal of Materials Licenses." The draft revision is a predecisional document that proposes changes to the processing of renewal applications for all materials licenses except fuel cycle. The changes are part of a licensing streamlining initiative to focus the NRC licensing resources on applications whose performance indicates potential programmatic weaknesses, and program areas that have undergone major changes which could affect radiation safety. The Department's comments follow:

1. The methods outlined in PG 83-2 do not seem to greatly streamline the review process. In many cases, the policy seems to require additional management or compliance staff oversight. Illinois is considering another approach to conserve time expended on low risk license renewals (i.e., portable/fixed gauges, gas chromatographs, diagnostic medical). Rather than have the licensee send in a completely new application, we are considering having the licensee certify that all correspondence previously incorporated in the license is current and that the status of the license remains unchanged. If this is the case and the performance criteria mentioned in your PG 83-2, Section 2.2, and Item 5. below are met, we would issue the renewal for 5 years referencing previous license conditions and the certification document. This approach could avoid situations



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where, in the licensee's renewal application, the licensee has changed items that were acceptable in previous renewals or has not incorporated changes that were addressed in previous deficiency letters or amendments.

2. Illinois is planning to maintain a 5-year license term. The Department believes that too many changes occur in a licensee's program and in guidance/regulations to justify a longer interval. In addition, NRC's proposal to both extend the renewal frequency and limit the review process encompasses too much deregulation at once, particularly for the high-risk licensees. Ultimately, the proposed changes place a greater burden on the inspection staff and would require a more rigorous inspection regimen, which expends additional resources.
3. NRC policy is firmly based on use of the NUREG 1556 guidance series. However, several of these guides are still in draft form and some have yet to be written. In addition, these guides are also subject to major changes as a result of adoption of new regulations (medical, well logging, etc.). Please indicate how these variations from the NUREG 1556 criteria are to be addressed. Ideally, the NUREG should be amended to clarify or delete those items that have been deemed unimportant. These amendments would ensure that NRC staff, licensees and other States using these guides would be aware of the changes. The States could then similarly eliminate the item(s) and relieve their applicants and their reviewers from addressing and reviewing the deleted item(s).
4. We support the use of e-mail and fax messages to facilitate the turnaround of licensing actions.
5. Three other performance indicators that should be included in Section 2.2 are "Changes to the Regulations," "Changes to Guidance or Policy Memoranda" and "Inspector Comments." If these first two items have changed dramatically since the last renewal, a more detailed review may be necessary. The third item addresses those health and safety issues that the inspector may have observed in the field that may not be addressed or are not enforceable items under the current license. We also believe that the indicators in Section 2.2 should be more descriptive to indicate what is included or excluded. For example, where in Section 2.2 are recordable or

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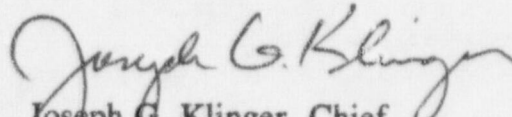
reportable events (misadministrations) addressed? This clarification will assist the licensing staff to uniformly apply these performance indicators.

6. In Section 2.5.B., NRC should not set a 10-year renewal frequency and then only review enforcement history for the past 3 years as several license types may not have had an inspection within this interval. The last inspection results should be reviewed in all cases. In addition, NRC should indicate what mechanism is in place to reduce the renewal frequency for licensees that have escalated enforcement actions within the first several years after renewal.
7. In Section 2.6.A., it appears that reviewers are to be strictly limited to the review of the items in the checklist found in the NUREG 1556 documents. NRC should consider the need for some flexibility here.
8. In Section 2.6.F., NRC has established a worthwhile goal of limiting correspondence to one letter. This goal can reasonably be attained if there is a minimum acceptance criteria for all applications (see Item 11 of this letter). NRC and the States do not want to issue inadequate license documents based on poor applications under any circumstances.
9. In Section 2.6.G., please identify the means by which NRC approves custom license conditions. NRC should not issue a wide variety of custom conditions as this leads to inconsistencies from license to license and gives the appearance of placing unfair or arbitrary burdens on individual licensees. Custom conditions should require management approval to ensure fair practices.
10. The "Notice of Expiration Letter" letter states that if the application is filed less than 30 days before the expiration date, the licensee may contact the NRC to see if a temporary extension of the expiration date is necessary. The Department has no mechanism to "temporarily" extend these dates. In Illinois, radioactive material must be placed in secure storage and operations halted until the renewal is issued, or the termination process is complete. Please describe NRC's process for extending expiration dates.

11. An item that is not addressed in this document is the denial of a renewal request. If NRC receives a renewal request that is so poor as to be unacceptable (i.e., an application form with no attachments), what process is in place to require either resubmission or termination of the license? The most time consuming activity for licensing staff is acting as a consultant for unknowledgeable applicants/licensees. Rather than providing these services for the licensee, the NRC should develop an acceptance policy for all actions including renewals. This should be addressed in this plan as the first step prior to determining if a limited or comprehensive review is necessary.

Thank you for the opportunity to comment on this document. Should you have any questions, please contact me, or Gibb Vinson of my staff, at (217) 785-9947.

Sincerely,

  
Joseph G. Klinger, Chief  
Division of Radioactive Materials

CGV:dks

cc: Jim Lynch, State Agreements Officer