



REQUEST REPLY BY 9/17/99

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

August 19, 1999

COMSECY 99-029

RELEASED TO THE PUBLIC
10/5/99 [Signature] [Initials]
date initials

MEMORANDUM TO:

Chairman Dicus
Commissioner Diaz, N.J.
Commissioner McGaffigan, E.
Commissioner Merrifield, J.S.

FROM:

William D. Travers *Frank J. Meraglia Jr.*
Executive Director for Operations

SUBJECT:

CONTINUED STATE PRESENCE AT PERMANENTLY SHUT
DOWN NUCLEAR POWER FACILITIES UNDERGOING
DECOMMISSIONING

The Commission's policy on cooperation with States at commercial nuclear power plants and other nuclear production and utilization facilities (54 FR 7530, February 22, 1989)¹ established the general framework for the Nuclear Regulatory Commission (NRC) to enter into agreements with States to perform inspections for and on behalf of the NRC under the authority granted to the Commission in Section 274i of the Atomic Energy Act of 1954, as amended. Such an instrument of cooperation requires a formal memorandum of understanding (MOU) signed by the NRC and the State. The Commission's policy also created a uniform method for allowing State representatives to observe NRC inspections at nuclear power plants. Requests from States to observe inspections and/or inspection entrance and exit meetings conducted by the NRC require the approval of the appropriate Regional Administrator and require the State observer to sign an inspection observation protocol. Current instruments of cooperation with States have dealt primarily with inspections at operating nuclear power plants. The purpose of this memorandum is to inform the Commission how the staff intends to address continued presence by the States of Illinois, Connecticut and Maine at permanently shutdown nuclear power plants which are undergoing decommissioning within the framework established by the Commission's policy on cooperation with States. The staff has negotiated an addendum to the existing MOU with Illinois for inspections at shutdown plants in Illinois undergoing decommissioning. The staff has also drafted a letter to Connecticut and Maine to address continued State observation of NRC inspections at facilities undergoing decommissioning in those States.

Contact: Spiros Droggitis, OSP
415-2367

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Shutdown

¹ The Commission amended the policy (57 FR 6493, February 25, 1992) to allow State representatives in adjacent States to observe NRC inspections at licensed facilities. An adjacent State is defined as a State within the plume exposure pathway emergency planning zone of a licensed facility in another State.

State Inspections - Illinois

The NRC and the Illinois Department of Nuclear Safety (IDNS) entered into Subagreement No. 3 on December 18, 1990 (55 FR 51973). This Subagreement defines the way in which NRC and IDNS, with the assistance of State Resident Engineers, cooperate in planning and conducting inspections of nuclear power plants in Illinois to ensure compliance with NRC regulations. The Subagreement was one of the first signed under the Commission's policy on cooperation with States. Commonwealth Edison Company submitted a letter to the NRC dated February 13, 1998 certifying permanent cessation of operations at Zion Station. Both units are in SAFSTOR. IDNS has expressed an interest in conducting decommissioning inspections at Zion for NRC. Among other things, Subagreement No. 3 provides for close interaction and cooperation between the State resident engineers and the NRC resident inspectors. It has been NRC practice to withdraw its resident inspectors from licensed nuclear power plants that have permanently ceased operations and are undergoing decommissioning approximately one year after shut down. The NRC resident inspectors have been removed from Zion. As such, the staff believes the current Subagreement No. 3, does not apply to Zion or other plants in Illinois which may cease operations in the future. Section X. of the Subagreement allows for periodic review and amendment or modification of the Subagreement upon written agreement by both parties.

The staff negotiated with IDNS a proposed addendum to Subagreement No. 3 (Attachment 1). The proposed addendum recognizes the changed circumstances for licensed power plants that are permanently shut down and undergoing decommissioning and are no longer inspected by NRC resident inspectors. It provides for continued cooperation and coordination with the State with regard to inspections at such plants. The addendum provides for the same interaction and cooperation as the Subagreement No. 3 and establishes Regional contacts. Recognizing the removal of the NRC resident inspector presence, the proposed addendum provides for joint team decommissioning inspections. In addition, the addendum makes other minor changes to the original Subagreement to reflect policy changes (i.e., changing the title of State Resident Engineer to State Resident Inspector) and to better reflect the current practice used by IDNS to provide its inspection findings to the NRC. I intend to sign the addendum to Subagreement No. 3 and forward it to Mr. Ortziger for his signature 10 working days from the date of this memorandum.

During the course of negotiations, Mr. Thomas Ortziger, Director, IDNS, suggested a revised draft of the addendum to Subagreement No. 3 (Attachment 2). The wording in the revised draft resembles the resident inspector Subagreement 2 negotiated in January 1980 between the Oregon Department of Energy and the NRC.² The revised draft does not include all the elements established by the Commission in its policy that a State must propose a program that: (1) recognizes the Federal Government, primarily NRC, as having the exclusive authority and responsibility to regulate the radiological and national security aspects of the construction and

² The Commission stated in the policy that it would honor instruments of cooperation between NRC and the State approved prior to the date of the policy statement. Although the Commission strongly encouraged States to consider modifying agreements to bring them into conformance with the provisions of the policy statement, the State of Oregon did not express an interest in modifying its agreement.

operation of nuclear production or utilization facilities, except for certain authority over air emissions granted to States by the Clean Air Act;³ (2) is in accordance with Federal standards and regulations; (3) specifies minimum education, experience, training, and qualification requirements for State representatives which are patterned after those of NRC inspectors; (4) contains provisions for the findings of State representatives to be transmitted to NRC for disposition; (5) would not impose an undue burden on the NRC and its licensees and applicants; and (6) abides by NRC protocol not to publicly disclose inspection findings prior to the release of the NRC inspection report. In fact, the revised draft could be viewed as an independent State inspection program, which the Commission stated in the policy that it would not consider. The staff does not believe that the revised draft suggested by Mr. Ortziger meets the criteria established by the Commission for entering into an agreement with a State. While Mr. Ortziger has withdrawn the revised draft from consideration, he did request that the revised draft be provided to the Commission for information.

State Observations of NRC Inspections - Maine & Connecticut

In 1986, the State of Maine legislature adopted legislation which created the State nuclear safety inspector, a full time position located at Maine Yankee. In August of 1997, Maine Yankee Atomic Power Company decided to permanently shut down Maine Yankee and begin decommissioning activities. In 1998, the Maine legislature passed legislation to fund an additional technical position at the plant to monitor decommissioning activities and perform environmental surveillance at the site. A consideration cited by the legislature for this increased State presence was the removal of the NRC resident inspectors from the site. The assigned onsite State representatives desire to observe NRC inspections at Maine Yankee. The State of Maine does not intend to perform inspections for and on behalf of the NRC.

The State of Connecticut established the positions for an onsite State presence at the Haddam Neck and Millstone Unit 1 sites during the year after those two plants were permanently shut down. The NRC resident inspector has been withdrawn at Haddam Neck, while NRC maintains a resident inspector presence at the operating sites at Millstone Units 2 and 3. Currently, the State has assigned one individual the responsibility of monitoring decommissioning activities at both sites. Connecticut State law authorizes the Connecticut Department of Environmental Protection, among other things, to "study plans for, and hazards inherent in the decommissioning of Connecticut nuclear plants including possible future use of land now in use by a nuclear power facility." The State has stated its purpose for placing a representative at the sites is to improve the State's communications with the licensee and the NRC on decommissioning activities at the sites. Like Maine, Connecticut has no interest in performing inspections for and on behalf of the NRC under the Commission's policy on cooperation with States. The Connecticut representative wishes to observe NRC decommissioning inspections at Millstone 1 and Haddam Neck.

³ Based on the combination of a continuing regulatory basis for reduced air emissions and documented proof of the effectiveness of the NRC program for these licensees, the U.S. Environmental Protection Agency rescinded Subpart I for power reactors licensed by NRC (60 FR 37196; September 5, 1995).

The staff has concluded that the current inspection observation protocol is appropriate for instances where the State wishes to observe NRC inspections at decommissioning sites. However, there will be instances when the State representatives are on site to perform their State-related functions when NRC is not on site. The staff believes that it would be prudent to send both the States of Connecticut and Maine a letter. The purpose of this letter is to inform the States that the existing inspection observation protocol is appropriate for State observations of NRC inspections at decommissioning sites and to identify the appropriate Regional contacts if the State observes situations, in the absence of NRC, of immediate safety significance, potential safety concerns or violations of NRC requirements or receives allegations. I intend to authorize the Regional Administrator to send the attached letter (Attachment 3) to the State Liaison Officer in Connecticut (and a similar letter to Maine) in 10 working days from the date of this memorandum.

SECY, please track.

Attachments:

As stated

cc: ✓ SECY
OCA
OGC
OPA
OCIO
OCFO

**ADDENDUM NO. 1 TO SUBAGREEMENT NO. 3
PERTAINING TO STATE RESIDENT ENGINEERS
BETWEEN THE
U.S. NUCLEAR REGULATORY COMMISSION
AND THE
STATE OF ILLINOIS**

I. Purpose

The purpose of this Addendum is to modify Subagreement No. 3 pertaining to State Resident Engineers between the U.S. Nuclear Regulatory Commission (NRC) and the State of Illinois (State), hereafter referred to as Subagreement No. 3, to address State inspections at permanently shut down nuclear power plants in Illinois that remain under license by the NRC.

II. Background

- A.** The NRC and the State entered into Subagreement No. 3 to define the way in which NRC and the State, with the assistance of State Resident Engineers will cooperate in planning and conducting inspections at operating nuclear power plants in Illinois. Subagreement No. 3 provided, among other things, for interaction and cooperation between State Resident Engineers and NRC Resident Inspectors. Since the entry into Subagreement No. 3, "State Resident Engineers" as referred to in Subagreement No. 3, have become known as "State Resident Inspectors."
- B.** Since the entry into Subagreement No. 3, NRC has received notice that a licensed nuclear power plant in Illinois has permanently ceased operations and has begun decommissioning.
- C.** It is NRC's practice to, approximately one year after shut down, withdraw its resident inspectors from licensed nuclear power plants that have permanently ceased operations and are undergoing decommissioning and to conduct inspections of such power plants with staff from its Regional offices.
- D.** The NRC has requested and the State of Illinois has agreed, in accordance with Section X. of Subagreement 3, to modify the Subagreement to recognize the changed circumstances for licensed power plants that are permanently shut down, are undergoing decommissioning, and are no longer inspected by NRC resident inspectors, and to provide for continued cooperation and coordination with the State of Illinois with regard to inspections at such plants.

III. Modifications

- A. Subagreement No. 3 is modified as provided in this Addendum. Subagreement No. 3 shall remain in full and complete effect except as specifically modified in this Addendum. Insofar as any provisions in Subagreement No. 3 are inconsistent with this Addendum, this Addendum shall control for the purposes of decommissioning inspections at permanently shut down commercial nuclear power reactors.**
- B. The title to Subagreement No. 3 is modified to read "SUBAGREEMENT NO. 3 BETWEEN THE U.S. NUCLEAR REGULATORY COMMISSION AND THE STATE OF ILLINOIS PERTAINING TO STATE RESIDENT INSPECTORS AND STATE INSPECTORS FOR DECOMMISSIONING PLANTS."**
- C. Section VI.C.13 of Subagreement No. 3 is modified to read as follows:
All written communications with the licensee will be made through NRC. After completing its portion of a safety inspection, IDNS will document to NRC its inspection's scope, details, and results in a report written in the format described in the NRC Inspection Manual. The NRC will use the information, as appropriate, in preparation of the NRC's final report. The State is responsible for the technical adequacy of State Resident Inspector's or State Inspector's inspection reports.**
- D. "State Resident Engineer" is modified in Subagreement No. 3 to read "State Resident Inspector."**
- E. State personnel who conduct decommissioning inspections pursuant to this Addendum and who need not be resident at nuclear power plants shall be referred to as "State Inspectors."**
- F. After NRC's withdrawal of its resident inspectors from licensed nuclear power plants in Illinois that have permanently ceased operations, State participation in NRC decommissioning inspections at these facilities will be governed by Subagreement 3 and this Addendum. This Addendum will not apply to State inspections conducted pursuant to any authority other than Subagreement No. 3.**
- G. State Inspectors will be State Resident Inspectors qualified and certified by the State in accordance with the NRC Inspection Manual, or its equivalent, for the specific inspection function they are to perform.**
- H. The State will utilize the NRC's Master Inspection Plan (MIP) as the basis for proposing State Inspectors' participation in NRC scheduled decommissioning inspections. The State will submit inspection recommendations to the NRC Regional Administrator, Region III (or designee), at least one month prior to the scheduled inspection to allow sufficient time for NRC review.**

- I. The State will perform decommissioning safety inspections in accordance with the inspection plans using applicable procedures in the NRC Inspection Manual.
- J. To facilitate cooperation and efficient use of resources, NRC and State Inspectors will conduct joint team decommissioning inspections under this Addendum. An NRC inspector will lead the team and be in charge of the inspection.
- K. The principal senior management contacts for this Addendum will be the Director, Division of Nuclear Materials Safety, Region III, and the Manager, Office of Nuclear Facility Safety, Illinois Department of Nuclear Safety.

FOR THE U.S. NUCLEAR REGULATORY COMMISSION

Executive Director for Operations

Date: _____

FOR THE STATE OF ILLINOIS

Director
Illinois Department of Nuclear Safety

Date: _____

STATE OF ILLINOIS
DEPARTMENT OF NUCLEAR SAFETY

1035 OUTER PARK DRIVE • SPRINGFIELD, ILLINOIS 62704
217-785-9900 • 217-782-6133 (TDD)

George H. Ryan
Governor

Thomas W. Ortziger
Director



May 27, 1999

Mr. Paul Lohaus, Director
Office of State Programs
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

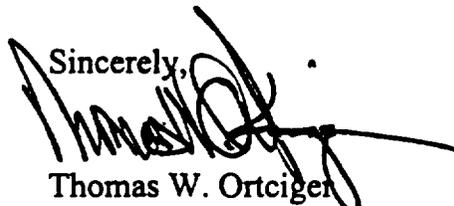
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Dear Mr. Lohaus:

As you know, in early February we negotiated with U.S. Nuclear Regulatory Commission (NRC) Region III staff an Addendum No. 1 to Subagreement No. 3 to Illinois' Memorandum of Understanding with NRC. Addendum No. 1 was developed at the request of Region III staff because of their perception that the current Subagreement No. 3 pertaining to Illinois State resident engineers needed revision to clarify its applicability to plants being decommissioned. I believe these modifications were transmitted to you in late-February or early-March. We anticipated a response regarding NRC's protocol for approval of such modifications by the beginning of May.

The length of time for NRC's review undoubtedly reflects its willingness to give this matter full consideration. This review period has allowed us to develop a more comprehensive substitute for the earlier modifications. Please find attached a new Addendum No. 1 to Subagreement No. 3 that is now acceptable to the State of Illinois.

Questions should be addressed to me at 217/785-9868.

Sincerely,

Thomas W. Ortziger
Director

TWO:bac
Attachment

cc: Roland Lickus



recyclable

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Revised Draft 5/27/99

**ADDENDUM NO. 1 TO SUBAGREEMENT NO. 3
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- A. The NRC and the State entered into Subagreement No. 3 to define the way in which NRC and the State, with the assistance of State Resident Engineers will cooperate in planning and conducting inspections at operating nuclear power plants in Illinois. Subagreement No. 3 provided, among other things, for interaction and cooperation between State Resident Engineers and NRC Resident Inspectors. Since the entry into Subagreement No. 3, "State Resident Engineers" as referred to in Subagreement No. 3, have become known as "State Resident Inspectors."
- B. Since the entry into Subagreement No. 3, NRC has received notice that a licensed nuclear power plant in Illinois has permanently ceased operations and has begun decommissioning.
- C. It is NRC practice to, within approximately one year of shutdown, withdraw its resident inspectors from licensed nuclear power plants that have permanently ceased operations and are undergoing decommissioning and to conduct inspections of such power plants with staff from its regional offices.
- D. The NRC has requested and the State of Illinois has agreed, in accordance with Section X. of Subagreement 3, to modify the Subagreement to recognize the changed circumstances for licensed power plants that are permanently shut down, are undergoing decommissioning, and are no longer inspected by NRC resident

inspectors, and to provide for continued cooperation and coordination with the State of Illinois with regard to inspections at such plants.

III. Modifications

- A. Subagreement No. 3 is modified as provided in this Addendum. Subagreement No. 3 shall remain in full and complete effect except as specifically modified in this Addendum. Insofar as any provisions in Subagreement No. 3 are inconsistent with this Addendum, this Addendum shall control for the purposes of decommissioning inspections at permanently shut down commercial nuclear power reactors.
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- (a) All written communications with the licensee will be made through NRC. After completing its portion of a safety inspection, IDNS will document to NRC its inspection's scope, details, and results in a report written in the format described in the NRC Inspection Manual. The NRC will use the information in preparation of the NRC's final report. The State is responsible for the technical adequacy of State Resident Inspector's ~~or State Inspector's~~ inspection reports.
 - (b) The provisions of Section VI.C.13(a) do not apply State Inspectors' decommissioning inspections at permanently shut down commercial nuclear power reactors.
- D. "State Resident Engineer" is modified in Subagreement No. 3 to read "State Resident Inspector."
- E. State personnel who conduct decommissioning inspections pursuant to this Addendum and who need not be resident at nuclear power plants shall be referred to as "State Inspectors."
- F. After NRC withdrawal of its resident inspectors from licensed nuclear power plants in Illinois that have permanently ceased operations, State ~~participation in NRC decommissioning~~ inspections at these facilities will be governed by Subagreement 3 and this Addendum. This Addendum will not apply to State inspections conducted pursuant to any authority other than Subagreement No. 3.

G. State Inspectors will be State Resident Inspectors qualified and certified by the State in accordance with the NRC inspection manual or its equivalent for the specific inspection function they are to perform.

~~**H. The State will utilize the NRC's Master Inspection Plan (MIP) as the basis for proposing State Inspectors' participation in NRC scheduled decommissioning inspections. The State will submit inspection recommendations to the NRC Regional Administrator, Region III (or designee) at least one month prior to the scheduled inspection to allow sufficient time for NRC review.**~~

~~**I. The State will perform decommissioning safety inspections in accordance with the inspection plans using applicable procedures in the NRC inspection manual.**~~

J.H. To facilitate cooperation and efficient use of resources, NRC and State Inspectors will conduct joint team decommissioning inspections under this Addendum. An NRC inspector will lead the team and be in charge of the inspection. State inspectors will not attempt to duplicate the regulatory activities of the NRC at permanently shut down nuclear power plants. To the extent possible NRC and State Inspectors will arrange their schedules and inspection activities at permanently shut down nuclear power plants so that their on-site activities complement each other, in order to provide the widest possible coverage of the plant.

K.I. The principal senior management contacts for this Addendum will be the Director, Division of Nuclear Materials Safety, Region III, and the Manager, Office of Nuclear Facility Safety, Illinois Department of Nuclear Safety.

FOR THE U.S. NUCLEAR REGULATORY COMMISSION

Executive Director for Operations

Date: _____

FOR THE STATE OF ILLINOIS

Director
Illinois Department of Nuclear Safety

Date: _____

DRAFT

Edward L. Wilds, Jr., Ph.D.
Director
Division of Radiation
Department of Environmental Protection
79 Elm Street
Hartford, Connecticut, 06106-5127

Dear Dr. Wilds:

This letter confirms the general agreement reached as a result of our recent discussions regarding State observations of NRC inspections at the Millstone and Haddam Neck nuclear plants in Connecticut. Consistent with the NRC's Policy Statement on Cooperation With States at Commercial Nuclear Power Plants and Other Nuclear Production and Utilization Facilities, at a State's request, the NRC allows State representatives to observe specific inspections and observe the NRC inspection entrance and exit meetings.

As stated in the enclosed Protocol Agreement for the State of Connecticut Observation of NRC Inspections, which has been the guidance document signed by accompanying personnel in the past, normally one State representative at a time may observe an NRC inspection. All aspects of the inspection are normally open to observation, including the entrance and exit meetings. The Regional State Liaison Officer will continue to send you quarterly inspection schedules for all NRC inspections planned in the State of Connecticut, including for the Haddam Neck and Millstone sites, so that you and other State personnel will know when we intend to perform a given inspection. Except to those with a need to know, we request that you not disseminate this information prior to the inspection without checking with us. We also ask that you let us know about a month in advance of any NRC inspection you wish to observe, such that the Region has time to act on, evaluate, and coordinate each request. Although few such cases are likely to arise, we do reserve the right to close any NRC activity involving sensitive or safeguards material, allegation follow up when an alleger requests confidentiality, activities that are the subject of an investigation by the NRC Office of Investigations, and inspections that in our opinion would be negatively affected by third party observation.

The protocol is to be followed in preparation for and during the course of any NRC inspection accompaniments. As in the past, it will be necessary for any State representative participating in the observation to indicate agreement with the terms of the protocol by signing the protocol before the inspection. We do not feel it is necessary to complete this process for subsequent inspections by the same observer. I also request that you sign the protocol as the State Liaison Officer to confirm your general commitment with the terms and conditions of the protocol for observing NRC inspections.

In addition to the NRC inspection observations, we understand that your representatives will be on site at the permanently shutdown Haddam Neck and Millstone 1 sites at times in which they will not be accompanied by an NRC inspector. Although the State representative is not performing inspection activities which are under NRC jurisdiction, he/she may observe certain

situations or activities which are within NRC regulatory jurisdiction and which should be brought to our attention in a timely manner. Examples of such situations are noted below:

- The State representative may identify a situation with immediate safety significance. This information must immediately be communicated to the licensee and promptly to the NRC contact, either the Regional project inspector or his or her branch chief. It is essential that this information be discussed with the NRC promptly upon discovery so that the NRC can take any action that may be warranted by the situation. If the NRC Regional contacts are not available, the State should transmit this information to the NRC Headquarters Operations Officer at (301) 816-5100.
- While not within the State's responsibility or authority, the State representative may identify items which may be considered potential safety concerns or violations of NRC statutes, regulations, or requirements. The State representative should document any significant items to the Regional contact in a timely manner for NRC follow up, as the NRC deems appropriate.
- The State representative may receive information relating to areas within NRC jurisdiction that may be considered allegations. The State representative shall promptly report this information to the NRC Regional contact so that it can be processed in accordance with NRC procedures. In order to ensure that the identity of the person making the allegation is protected, the State representative should disclose the identity of the concerned individual and the exact nature of the allegation only to the NRC Regional contact or the NRC Region I allegation staff at (301) 610-337-5222. (The identity of the concerned individual will not be provided to the NRC in cases in which the individual does not want the NRC to know his/her identity.)

During those times in which your representative is on site with no NRC onsite presence, normal informational contacts will be between the State representative and his/her management and the NRC Regional project inspector and his/her management. If the NRC is on site, contacts will normally be between your onsite representative and the onsite NRC inspector. If disagreements or conflicts arise concerning the protocol or the handling of identified issues, the NRC and State will work together to resolve them at the working level. If this is not fully successful, the NRC Regional State Liaison Officer will work with you to obtain resolution.

If you have any questions regarding this letter or the enclosed protocol, please contact Dr. Robert J. Bores, our NRC Region I State Liaison Officer, at 610-337-5213 or e-mail RJB@NRC.GOV.

Sincerely,

Hubert J. Miller
Regional Administrator
Region I

Enclosure:
As stated

Protocol Agreement for State of Connecticut
Observation of NRC Inspections

NRC Protocol:

- NRC will process written requests to the Regional Administrator through the State Liaison Officer (SLO). Requests should identify the type of inspection activity and facility the State wishes to observe.
- The Regional State Liaison Officer (RSLO) will normally be the lead individual responsible for tracking requests for State observation and for advising the Regional Administrator on the disposition of these requests. The appropriate technical representative or Division Director will communicate with the State on specific issues concerning the inspection(s).
- Requests for observations of Headquarters-based inspections will also be coordinated through the RSLO to a technical representative designated by the Region.
- Limits on scope and duration of the observation period may be imposed if, in the view of the Regional Administrator, they compromise the efficiency or effectiveness of the inspection. Regions should use their discretion as to which, if any, inspections will be excluded from observations.
- States will be informed they must not release information concerning the time and purpose of unannounced inspections.
- The Region will make it clear to the licensee that the State views are not necessarily endorsed by NRC. The Region will also make it clear that only NRC has regulatory authority for inspection findings and enforcement actions regarding radiological health and safety.

State Protocol:

- A State will make advance arrangements with the licensee for site access training and badging (subject to fitness-for-duty requirements), prior to the actual inspection.
- Normally, no more than one individual will be allowed to observe an NRC inspection.
- The State will be responsible for determining the technical and professional competence of its representatives who accompany NRC inspectors.
- An observer's communication with the licensee will be through the appropriate NRC team member, usually the senior resident inspector or the team leader.

ENCLOSURE

- **When informed of an unannounced inspection, a State must not release information concerning its time and purpose.**
- **An observer will remain in the company of NRC personnel throughout the course of the inspection.**
- **State observation may be terminated by the NRC if the observer's conduct interferes with a fair and orderly inspection.**
- **An observer will not be provided with proprietary or safeguards information. Observers will not remove any material from the site without NRC or licensee approval.**
- **The State observer, in accompanying the NRC inspectors, does so at his or her own risk. NRC will not be responsible for injuries or exposures to harmful substances which may occur to the accompanying individual during the inspection and will assume no liability for any incidents associated with the accompaniment.**
- **The State observer will be expected to adhere to the same standards of conduct as NRC inspectors during an inspection accompaniment.**
- **If the State observer notices any apparent non-conformance with safety or regulatory requirements during the inspection, he/she will make those observations promptly known to the NRC team leader or lead inspector. Likewise, when overall conclusions or views of the State observer are substantially different from those of the NRC inspectors, the State will advise the team leader or lead inspector and forward those views, in writing, to the NRC Region. This will allow NRC to take any necessary regulatory actions.**
- **Under no circumstances should State communications regarding these inspections be released to the public or the licensee before they are reviewed by the NRC and the inspection report is issued. State communications may be made publicly available, similar to NRC inspection reports, after they have been transmitted to and reviewed by NRC.**

Signature of State Observer

Date