February 11, 1997 SECY-97-034

FOR: The Commissioners

FROM: Hugh L. Thompson, Jr. /s/
Acting Executive Director for Operations

SUBJECT: BRIEFING ON PROGRESS OF MATERIALS LICENSING BUSINESS PROJECT REDESIGN PILOT PROGRAM

PURPOSE:

The purpose of this paper is to report on the progress of the Business Project Redesign (BPR) pilot program, as requested by the Commission in the Staff Requirements Memorandum (SRM), dated July 16, 1996, entitled "Briefing on BPR Project on Redesigned Materials Licensing Process (SECY-96-139)," (refer to M960703). In addition, this paper presents the staff's plan for proceeding with further work on the new materials licensing process.

SUMMARY:

This paper will discuss staff activities in the U.S. Nuclear Regulatory Commission's materials licensing BPR project that have taken place since the Commission was last briefed on July 3, 1996. After the briefing, the Commission directed the staff to: 1) arrange Commissioner visits to the BPR laboratory; 2) review the SRM of June 16, 1995, to ensure its directives are addressed; and 3) provide a briefing regarding how the initial trial of the pilot program is proceeding. With this paper and the Commission briefing scheduled for February 18, 1997, those three Commission directives will have been completed.

CONTACT: Patricia A. Rathbun, NMSS/IMNS
(301) 415-7198

NOTE: TO BE MADE PUBLICLY AVAILABLE
AT THE COMMISSION MEETING ON
FEBRUARY 18, 1997

BACKGROUND:

The first phase of the BPR was launched in September 1994 and completed in May 1995. A discussion of this effort was provided in SECY-95-114, dated May 5, 1995, and in NUREG-1539, "Methodology and Findings of the NRC's Materials Licensing Process Redesign," published in April 1996.

Following approval from the Commission, the second phase began in September 1995. The Commission was provided a status report on the progress of this phase in SECY-96-139, dated June 26, 1996, and in a briefing to the Commission on July 3, 1996. Since that time significant activities in performing the pilot program have been completed that will be discussed in this paper.

DISCUSSION:

Commissioners' Visits

Following Commission interest in visiting the BPR laboratory, each Commissioner was invited to tour the laboratory and receive a briefing on BPR activities. Chairman Jackson visited the laboratory on August 14, 1996, and Commissioners Rogers and Dicus on August 19, 1996. Based on the Comissioners' comments, the staff expanded the information available on the BPR Internet website location. New information included full-text versions of NUREG-1539, "Methodology and Findings of the NRC's Materials Licensing Process Redesign," and draft NUREG-1541, "Process and Design for Consolidating and Updating Materials Licensing Guidance"; a "What's New in BPR" area containing information on recent BPR activities; and information notices specific to materials licenses dating back to 1979.

After their appointments to the Commission, similar visits and briefings were arranged for Commissioners McGaffigan and Diaz. Commissioner McGaffigan visited the BPR laboratory on January 9, 1997. Commissioner Diaz is scheduled to visit in the near future.

June 16, 1995, SRM Directives

The July 16, 1996, SRM directed the staff to review the SRM dated June 16, 1995, which provided guidance related to SECY-95-114, and fold those requirements into a "Lessons Learned" paper. The Commission was provided with SECY-96-205, "Briefing on Business Process Redesign Project on Redesigned Materials Licensing Process," dated September 23, 1996, which systematically addressed each of the directives from the June 16, 1995, SRM. Attachment 1 summarizes those directives and the staff actions to address them; it updates and complements SECY-96-205. Attachment 2 summarizes staff actions in response to the SRM of July 16, 1996.

Pilot Program Objectives, Scope, and Process

In accordance with Commission direction, since July 1996, the staff has concentrated BPR resources on developing a useful pilot program to test the new materials licensing process. The objective of the pilot program was to

demonstrate the feasibility of a computer-assisted review process for issuing new portable gauge licenses. To maintain tight control of the pilot program, the staff established scope parameters to guide the program:

- A single license class, portable gauges, was chosen on which to base the pilot program. This class comprises about 19 percent of NRC's materials licenses, which represents the largest class of materials licenses and has the potential for a significant and early economic benefit from streamlining the licensing process for this group. Furthermore, portable gauges are relatively safe devices that incorporate features engineered to enhance their safety. Also, NRC's considerable experience with licensees possessing these devices indicates that radiation exposures to workers are generally low. Thus, portable gauges are an acceptably low-risk license class to use in testing a new licensing process.

- The pilot program first evaluated the technical and quality assurance review subprocesses practices. These subprocesses are considered the heart of the license application review process, and the staff wished to ensure their satisfactory performance as soon as possible.

- The pilot program used revised risk-informed guidance as the regulatory foundation for the tests. The regional pilot test was based upon the performance-based guidance contained in draft NUREG-1556, Volume 1, "Consolidated Guidance About Materials Licenses, Program-Specific Guidance About Portable Gauge Licenses," published in September 1996 (Attachment 3). This document is the first program-specific guidance intended to be used by all parties involved in the materials licensing process: applicants, licensees, NRC license reviewers, and other NRC personnel.

The staff utilized the iterative pilot program to develop and refine an information system prototype and business practices that will be used in the new materials licensing process. The staff, working with contractor support, developed an information system prototype that illustrated the computer screens that license applicants and NRC reviewers would use in the new computer-assisted licensing process. The initial prototype was tested in a Headquarters pilot exercise on November 18 through 22, 1996, in the BPR laboratory, using information from previously approved licenses to test the system. Based on the findings in this pilot, several significant and many minor modifications were made to the prototype. The prototype system was then tested in Region II from January 27 through 31, 1997, using new license applications from actual prospective portable gauge licensees, as well as "mock" applications prepared by portable gauge manufacturers.

Pilot Program Results

The Headquarters pilot test successfully demonstrated that the new electronic materials licensing process is a viable mechanism for issuing license actions (Attachment 4). The participants performed a technical review of five previously approved new portable gauge license applications, using a prototype computer-assisted review program called the Licensing and Inspection ONline System (LIONS).

The Headquarters pilot test confirmed that application reviews can be performed more efficiently than under the existing licensing process. Significant accomplishments include demonstrating the utility of acquiring reference information quickly from an electronic source, and the value of user-friendly checklist summary screens in ensuring the completeness of license applications and technical reviews. Further, as expected, several information technology and training issues were identified for the team to address, such as: the synchronization between application and reviewer checklist items, improving and consolidating multiple screens used by reviewers, and the need for improving skills and experience in Windows-based applications. Resolution of these issues improved the process to be tested during the regional pilot exercise.

The pilot test conducted at Region II was the culmination of all activities completed through BPR Phases I and II, and its objectives and scope are included as Attachment 5. A list of the eight regional pilot test participant organizations (four new license applicants and four portable gauge manufacturers) is included as Attachment 6. Representatives from the Agreement States of Georgia, Illinois, and Texas also participated in the test in the roles of license applicant, customer service representative, license reviewer, and quality assurance reviewer. A summary of comments from the pilot participants and the Agreement State representatives is provided as Attachment 7.

The regional pilot successfully demonstrated that the LIONS program and draft NUREG-1556, Volume 1, can be used by the regions to issue new licenses. Four actual license applications were reviewed using the new licensing process, and four licenses were signed and issued within one working day. The major findings from the expanded pilot test are summarized in the following table:

Major Findings from Pilot Test in Region II	
Finding	Supporting Information
Computer-assisted and paper-based review processes are technically equivalent and provide the same level of safety	Staff conducted independent, parallel reviews using the computer-assisted review program and a paper-based review process. Technically equivalent licenses could be generated through either review process. Both processes examined the same subject areas and generated equivalent application deficiency items.
Proposed performance measures and targets are reasonable	Four actual licenses were granted during the regional pilot. Total actual processing time for each license was determined to be less than one working day. This supports the projection that an average cycle time of 12 days or less for all materials licenses is attainable.

Major Findings from Pilot Test in Region II	
Finding	Supporting Information
Online reference material provides an efficiency advantage	During the regional pilot, the reviewer conducting the paper-based process required time to research documents to resolve an issue. The computer-assisted reviewer was able to access the online LIONS "help" system to instantly locate the section of guidance to resolve a similar inquiry. The same reference information is also available to applicants through the Internet on the BPR homepage.
The computer-assisted review process can produce paper copies of license records, enabling a transition from the current paper-based docket system	Sample licenses, cover letters, and deficiency letters were printed from the computer-assisted review process during the pilot. Actual licenses were issued from a paper-based process because minor formatting issues in electronic products must be addressed. Printing of the "record of decision" that documents the license reviewer's decision-making has also been demonstrated.
Positive feedback provided on pilot experience from non-NRC participants	All representatives from the Agreement State programs said they would like to remain involved in the pilot program. The four new license applicants stated they would like to participate in future pilot tests; one stated that "The process is an order of magnitude step forward in dealing with the NRC."
Positive feedback provided on LIONS program from non-NRC participants	All representatives from the Agreement States strongly approved of the LIONS program structure, ease of use, comprehensiveness, and efficiency. Some license applicants had difficulty "loading" the program or "saving" their completed application, but were able to resolve problems on their own or with help from NRC staff.
Positive feedback on draft NUREG- 1556, Volume 1, provided by non-NRC participants	The license applicants noted several features that made NUREG-1556, Volume 1, beneficial for conducting their business. Specifically, the document is easy to understand and use, provides appropriate level of detail, and clearly describes a performance-based approach. One of the pilot participants noted that the document "reeks of common sense and logic."

Major Findings from Pilot Test in Region II	
Finding	Supporting Information
Just-in-time training was effective, although experience in Windows skills is necessary for optimal staff performance	Training in draft NUREG-1556, Volume 1, LIONS, and Windows was provided to regional staff the week prior to the pilot test. Representatives from Agreement States noted that the regional staff appeared very competent in performing the review of the applications and working the LIONS program.
The prototype system and business processes meet the BPR design; some revisions are needed	Selected individual subprocesses that make up the new licensing process were broken down and analyzed. The general robustness of the new process was verified, although the pilot activities also pointed out which subprocesses and functions need to be further revised.

Next Steps

The staff proposes to continue its activities along two paths: 1) Guidance consolidation activities, and 2) Refinement of the information system prototype.

- Guidance consolidation will be scheduled according to the stability of regulation of each license class and the number of licensees affected. The next types of guidance to be consolidated include the following program codes: fixed gauge, self-shielded irradiators, and radiography.

- Refinement of the information system prototype will continue by releasing the limited prototype to a wider audience for further testing and evaluation.

This proposal should minimize the delay in the full product implementation of the new materials licensing process due to barriers that must be addressed, including regulatory policy, infrastructure development, and other implementation issues. Specifically, certain materials licensing classes are undergoing policy direction discussions, and full implementation of a new materials licensing information system must be paced by the Office of the Chief Information Officer's (CIO) ability to bring the Agencywide Documents Access And Management System (ADAMS) project online.

Under this proposal, the staff believes that an information system that will be usable by regional license reviewers to issue new portable gauge licenses will be fully developed by October 1997. However, workarounds to manage barrier issues such as Internet access, electronic signature, and interfaces

with legacy and the ADAMS information systems will be necessary before a fully automated system can be completed. The guidance for fixed gauge and self-shielded irradiators is scheduled to be consolidated and revised beginning in March 1997. The guidance for radiography is already under development as the staff prepares to implement the new 10 CFR Part 34, as approved by the Commission in the SRM on SECY-96-152, dated October 11, 1996. As each guidance document is finalized, staff will refine and expand the information system.

COORDINATION:

This paper has been coordinated with the Office of the CIO, and the CIO had no technical objection. The Office of the General Counsel has no legal objection to this paper.

Hugh L. Thompson, Jr.
Acting Executive Director
for Operations

Attachments:
1. BPR Actions to Address June 16, 1995, SRM
2. BPR Actions to Address July 16, 1996, SRM
3. Draft NUREG-1556, Volume 1*
4. New Materials Licensing Process (Figure 8.1 from NUREG-1539)
5. Regional Pilot Test Objectives and Scope
6. List of Regional Pilot Test Participant Organizations
7. Summary of Agreement State Representatives and Pilot Participant Comments on the Regional Pilot Test

*Provided to Commission Offices only; available from SECY upon request

June 16, 1995

MEMORANDUM TO: James M. Taylor
Executive Director for Operations

FROM: Andrew L. Bates, Acting Secretary /s/

SUBJECT: SECY-95-114 - IMPLEMENTATION OF A REDESIGNED MATERIALS LICENSING PROCESS

The Commission (with all Commissioners agreeing) has approved, subject to the Commission comments below, the staff proposal to (1) extend qualified materials licenses for five additional years, (2) proceed with Phase II of the BPR project, and (3) separate the payment of fees from the process of issuing a license and continue streamlining the fee structure for materials licenses.

The staff should develop better communications and coordination with the Agreement States and should actively seek their views on this project. In particular, the staff should solicit the views of the Agreement States in (1) how this new process could be even more effective and efficient, (2) how the process might affect Agreement States, and (3) what role Agreement States might be called upon to play in the development of the program. Their role should shift from a briefing and information mode to one whereby full advantage may be taken by NRC staff of the States' experience in developing innovative and more efficient regulatory administrative processes, e.g., Illinois and Texas. To the maximum extent possible under FACA, the States should be afforded the opportunity to participate and provide input to the project.

The staff should seek the views of the public, regulated community, and the Agreement States on the proposal to grant a one-time five year extension of licenses to qualified materials licensees.

(EDO) (SECY Suspense: 7/28/95)

SECY NOTE: SECY-95-114 WAS RELEASED TO THE PUBLIC ON MAY 11, 1995. THIS SRM AND THE VOTE SHEETS OF ALL COMMISSIONERS WILL BE MADE PUBLICLY AVAILABLE 5 WORKING DAYS FROM THE DATE OF THIS SRM.

At the completion of Phase II, the staff should provide its recommendations to the Commission for carrying out and overseeing the final Phase if approved by the Commission.
(EDO) (SECY Suspense: 5/17/96)

The staff should address program coordination between Headquarters and the Regions, including if, how and when the process would be implemented in the Regions.
(EDO) (SECY Suspense: 5/17/96)

The staff should report to the Commission plans for applying business process reengineering (BPR) to other areas of the materials program, including the plans to apply BPR to the inspection program and the Sealed Source and Device program. Much of the present materials regulatory program has been affected by GAO, Congressional and internal NRC reviews and recommendations as well as NRC commitments made in response to those recommendations. The staff must identify these recommendations and commitments and, as appropriate, either reconcile changes in NRC practice resulting from BPR that diverge from past commitments or provide a documented rationale for proceeding with changes. In all cases, there should be a clear, complete record that demonstrates that the BPR process includes a full consideration of the historical basis for the present materials regulatory program. The staff should keep the public and licensees informed of plans and progress of the BPR.
(EDO) (SECY Suspense: 5/17/96)

The Commission suggested that the staff establish a target goal (e.g., 60-90 days) for processing license applications under the new system to provide an indicator of overall success when implemented.

The staff should provide the Commission with a more detailed explanation of the graded approach to new license review that matches review level to the safety hazard and employs individuals or teams with specialized expertise. In particular, the manner in which the safety significance is factored into the license application should be addressed. Also, the staff should provide clarification of how the accuracy of information in a license application will be assured by an "automated review" process.
(EDO) (SECY Suspense: 5/17/96)

Before embarking on an entirely new process, the staff should consider implementing a small scale test program to determine the feasibility of success of the larger scale program. The staff should explicitly set forth the training requirements that will be necessary for this process to be a success.
(EDO) (SECY Suspense: 5/17/96)

The Commission requested that an opportunity for licensee input be added to the plans for Phase II.

(EDO) (SECY Suspense: 7/28/95)

The Commission also requested a more specific breakdown of the one-time and recurring costs (both dollars and FTEs) for the new licensing process and a clarification of how consistency between "self-managed" teams will be assured.

(EDO) (SECY Suspense: 5/17/96)

cc: The Chairman
Commissioner Rogers
Commissioner de Planque
Commissioner Jackson
OGC
OCA
OIG
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)

The Commissioners

IN RESPONSE, PLEASE
REFER TO: M960703

July 16, 1996

MEMORANDUM TO: James M. Taylor
Executive Director for Operations

FROM: John C. Hoyle, Secretary /s/

SUBJECT: STAFF REQUIREMENTS - BRIEFING ON BPR PROJECT ON REDESIGNED MATERIAL LICENSING PROCESS (SECY-96-139), 10:00 A.M., WEDNESDAY, JULY 3, 1996, COMMISSIONERS' CONFERENCE ROOM, ONE WHITE FLINT NORTH, ROCKVILLE, MARYLAND (OPEN TO PUBLIC ATTENDANCE)

The Commission was briefed by the NRC staff on the business process reengineering (BPR) project in the Office of Nuclear Materials Safety and Safeguards.

The Commissioners each requested that the staff arrange for them to visit the BPR laboratory.
(EDO) (SECY Suspense: 8/2/96)

The staff should review the SRM on SECY-95-114 dated June 16, 1995, and fold those requirements into the lessons learned. A paper should be provided to the Commission which systematically addresses each of the directives in the June 16, 1995 SRM and also addresses the revised schedules, goals, metrics, milestones, training plans, project scope, and interactions with Agreement States.
(EDO) (SECY Suspense: 9/20/96)

Another briefing should be scheduled on this topic in about six months to provide a better understanding of how the initial trial of the pilot program is proceeding.
(EDO) (SECY Suspense: 1/17/97)

cc: Chairman Jackson
Commissioner Rogers
Commissioner Dicus
OGC

The Commissioners

OCA
OIG
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)
PDR - Advance
DCS - P1-24

The Commissioners

BPR Actions to Address June 16, 1995, SRM			
Item No.	SRM Directive	Status*	BPR Team Action
1	Extend qualified materials licenses for five years	Comp	Federal Register rulemaking dated January 1109) revised regulations.
2	Proceed with Phase II	*Cont*	Initiated in September 1995.
3	Separate payment of fees from issuing a license, streamline fee structure	*Cont*	Actions discussed on page 6 of SECY-96-2 Current actions are with the Office of the C
4	Seek Agreement State (AS) views on improving effectiveness and efficiency of process	Comp	Actions discussed on pages 6 to 8 of SECY 1. Updated information: Representatives actively participated in the regional pilot te January 27 to 31, 1997.
5	Seek AS views on how process might affect AS	Comp	See response under item #4.
6	Seek AS views on role AS take in developing process	Comp	See response under item #4. Also see Atta of Agreement State Representatives and Pi Comments on the Regional Pilot Test, of th
7	Take advantage of AS experience (IL, TX)	Comp	See response under item #4. Also, these st representatives to the Regional Pilot Test.
8	Seek views of public, regulated community, and AS on five year extension proposal	Comp	Actions discussed on page 8 of SECY-96-2
9	At end of Phase II, provide recommendations for carrying out final Phase	*Future*	Will be provided when Phase II is comple
10	Address program coordination between HQ and Regions. Include: implementation (if, how, when)	*Cont*	Biweekly management teleconferences bet and regions, Daily contact between Headqu Counterpart meetings, BPR Steering Comm activities conducted during the Region II p
11	Report plans for applying BPR to other areas of the materials program: inspections	*Future*	Decision pending outcome of Strategic Ass
12	Report plans for applying BPR to other areas of the materials program: Sealed Source & Device	*Future*	Decision pending Commission direction on address recommendations in SECY 96-221 Control Over, and Licensees' Accountabili Specifically Licensed Devices."

BPR Actions to Address June 16, 1995, SRM			
Item No.	SRM Directive	Status*	BPR Team Action
13	Identify recommendations from GAO, Congressional, and internal reviews	Comp	Discussed on page 10 of SECY-96-205, Attachment 1.
14	Reconcile changes from BPR that diverge from past commitments responding to recommendations	*Cont*	Activities are in progress.
15	Document rationale for proceeding with BPR changes from past commitments, produce clear record for all cases	*Cont*	Activities are in progress.
16	Keep public and licensees informed of plans and progress of BPR	*Cont*	Actions include public workshops, NMSS Licensee Newsletter, ACMUI briefings, NUREGs, and BPR Web site. Discussed on page 11 of SECY-96-205, Attachment 1.
17	Establish target goal (e.g., 60 - 90 days) for processing applications under new system	Comp	Target established at an average of less than 12 days. Discussed on pages 11 and 12 of SECY-96-205, Attachment 1.
18	Explain how graded approach to new license review matches review level to safety hazard	Comp	Discussed on pages 13 and 14 of SECY-96-205, Attachment 1.
19	Explain how new process employs individuals or teams with specialized experience	Comp	Discussed on page 14 of SECY-96-205, Attachment 1.
20	Clarify how application's information accuracy will be assured in "automated review" process	Comp	Discussed on page 15 of SECY-96-205, Attachment 1. In addition, NRC license reviewers will review and approve all actions. The computer assists reviewers; it does not replace them. NRC staff remains responsible for ensuring the technical adequacy of licensee information.
21	Implement a small scale test program to determine feasibility of larger scale program	*Cont*	Pilot tests conducted in Headquarters on November 18 through 22, 1996, and in Region II from January 27 through 31, 1997.

BPR Actions to Address June 16, 1995, SRM			
Item No.	SRM Directive	Status*	BPR Team Action
22	Develop training requirements necessary for successful process	*Cont*	Discussed in SECY-96-205, Attachment 6. Activities are underway to: 1) certify staff in reengineering, and 2) conduct BPRs to expand role of administrative support staff.
23	Add opportunity for licensee input to Phase II	*Cont*	Discussed on page 17 of SECY-96-205, Attachment 1. Updated information: 4 portable gauge licensee applicants and 4 gauge manufacturers participated in Region II pilot test in January 1997. A list of the participants' titles and organizations is included in Attachment 6 of this SECY paper.
24	Provide more specific breakdown of one-time and recurring costs (both $'s and FTEs)	*Cont*	A detailed discussion was provided on pages 17 and 18 of SECY-96-205, Attachment 1. Since that paper was submitted in September 1996, an additional $375,000 have been spent in program support. The project is currently on budget and schedule.
25	Clarify how consistency between "self-managed" teams will be assured.	*Cont*	Discussed on page 19 of SECY-96-205, Attachment 1.

* "Comp" is a completed action, "Cont" is a continuing action, and "Future" is a future action. Currently, the staff has completed action on eleven directives, is continuing activities on eleven other directives, and plans to address the three remaining directives in the future.

BPR Actions to Address July 16, 1996, SRM			
Item No.	SRM Directive	Status	BPR Team Action
1	Arrange Commissioner visits to the BPR laboratory.	Complete	Three visits were conducted in August 1996, one was conducted in January 1997, and the final visit was conducted in February 1997.
2	Provide a paper that addresses the directives in the SRM on SECY-95-114 dated June 16, 1995; and address revised schedules, goals, metrics, milestones, training plans, project scope, and interactions with Agreement States.	Complete	SECY-96-205, provided to the Commission on September 23, 1996, addressed the SRM directives and the additional information request. Updated data on the information request are provided below (See following table).
3	Schedule a briefing on the progress of the initial trial for the pilot program.	Complete	Briefing scheduled for February 18, 1997.

Updated Data Since Issuance of SECY-96-205 on September 23, 1996	
Topic	Update
Revised Schedules and Milestones	Headquarters and Region II pilot tests completed.
Goals and Metrics	Activities discussed in SECY-96-205. In addition, a "Management Systems and Metrics" workshop was conducted in October and December 1996 to refine performance measures. These measures were discussed with the BPR Steering Committee on January 7, 1997. At that meeting it was determined that three high-level "Assessment Metrics" (Number of Events per year; Number of Severity Level 1, 2 or 3 items of non-compliance per year; and the Average Time to complete a licensing action) will be monitored to assess the general health of the licensing process.

Updated Data Since Issuance of SECY-96-205 on September 23, 1996	
Topic	Update
Training Plans	Activities discussed in SECY-96-205, and in Attachment 6 to that paper. In addition, NMSS has initiated actions to conduct a BPR of the Administrative Support Functions in NMSS. This BPR will redesign the secretary function to operate in a greater customer service and technologically advanced environment than in the traditional secretarial paradigm.
Project Scope	Pilot testing program has proven effective for confirming foundation of BPR design and identifying further areas in need of refinement.
Interactions with Agreement States	Activities discussed in SECY-96-205. In addition, Georgia, Illinois, and Texas sent representatives to take part in the Region II pilot test. These representatives provided a great deal of constructive input, further confirming NRC staff conclusions and enhancing the information collected. See Attachment 7 to this paper for a summary of their comments.

Regional Pilot Test Objectives and Scope

Objectives:

The Regional BPR pilot has the following objectives:

1. Verify that the new sample license created by the computer assisted BPR review process and the new manually reviewed license issued under NUREG 1556 are equivalent and provide the same level of safety.

2. Verify that the automated system (hardware and software being prototyped during this pilot) and the associated business processes meet the BPR design.

3. Verify that the training for the Reviewer components of Internet and Licensing and Inspection On-line System (LIONS) are adequate to provide the skills necessary to implement those portions of the BPR design.

4. Observe the review and QA components of the BPR design processes to assess that the proposed performance measures and targets are reasonable, and that the necessary data is obtainable via interim manual methods. Collect measures to verify the projected average cycle time of 12 days or less.

5. Collect information regarding the functionality of the prototyped features for LIONS milestone capture, public access to guidance (both Internet and application entry help system), and process management.

6. Demonstrate the functionality and utility of the software and guidance (NUREG-1556) designed for submission of new license applications.

7. Demonstrate the capability of issuing and printing a sample license which will assist in the future development of acceptable official records for materials license dockets.

8. Actively solicit input from the Agreement States and licensees on how to improve effectiveness and efficiency of the

new licensing process. In addition, solicit input on how the new process might affect the Agreement States, and enhance the role of the Agreement States in the development of the new process.

Scope:

Using portable gauge applications from eight participants, the scope of the BPR pilot will be limited to:

1. Applicants creating electronic versions of applications with BPR team-designed software and electronic versions of guidance.

2. Processing electronic versions of applications (received via diskette) into and out of the prototype automated Licensing and Inspection On-line System (LIONS) system.

3. Assignment of technical review using the prototype automated LIONS system.

4. Storage and retrieval of applications via the prototype automated LIONS system.

5. Technical review of applications using on-line licensing reference material (consolidated guidance and other electronic reference materials) and computer assisted review process (review checklists).

6. Evaluate the QA process for application review and sample license issuance.

7. Review the flow of queue assignments between the technical reviewer, QA reviewer, and the customer service representative.

8. On-line creation and on-line review of a record of decision that documents the basis for the licensing action.

9. Generation of deficiency report, and/or sample official record license documentation via LIONS.

10. Limited demonstration of the printing and handling of sample licensing documents through the LIONS customer service component.

List of Regional Pilot Test Participant Organizations

Portable Gauge License Applicants (Prepared actual new license applications)

Secor International Inc.
Cleveland, OH 44106

ThermoScan Inspections
Carmel, IN 46032

National Institute for Occupational Safety and Health
(Formerly Department of Interior, Bureau of Mines)
Spokane, WA 99207

Dames and Moore
Solon, OH 44139

Portable Gauge Manufacturers (Prepared "mock" new license applications)

Troxler Electronic Laboratories
Research Triangle Park, NC 27709

Seaman Nuclear Corporation
Oak Creek, WI 53154

Boart Longyear Corporation
Martinez, CA 94553

Humboldt Scientific, Inc.
Raleigh, NC 27606

Attachment 6

SUMMARY OF COMMENTS RECEIVED DURING THE REGION II PILOT TEST OF THE NEW MATERIALS LICENSING PROCESS

The Materials Licensing Business Process Redesign (BPR) team conducted a pilot test of the new materials licensing process in Region II from January 27 through 31, 1997. Participants included four applicants for actual licenses to use portable gauges, four portable gauge manufacturers, and staff from Region II who functioned in the Customer Service, Technical Review, Quality Assurance (QA) Review, and Management roles. Representatives of three Agreement States (Georgia, Illinois, and Texas) also participated in the pilot test. One portable gauge consultant submitted an application and comments after the conclusion of the pilot. The consultant's comments are included in this summary. All of the pilot test participants expressed pleasure in being included in the testing phase of the new materials licensing process, so that their comments and suggestions can be considered in subsequent development and refinement of the process.

Comments were offered concerning two subjects: the consolidated portable gauge licensing guidance published in draft NUREG-1556, Volume 1, and the prototype Licensing and Inspection On-line System (LIONS) license application preparation and review program. Comments regarding these issues are summarized below:

Draft NUREG-1556, Volume 1

Applicants and Gauge Manufacturers: Comments were generally very positive and supportive of the draft NUREG. Commenters generally thought that the document was very easy to work with and written at an appropriate level for the typical user. They also thought that the intent of the requirements was clearly explained. One commenter noted that the document was written with the assumption that the reader had no previous experience with radioactive materials or portable gauges and that this was a sound approach. Two commenters plan to incorporate information from the draft NUREG into their training programs and/or company manuals. Another commenter said that, compared to previous NRC documents, the reader would have a better understanding of commitments being made to the NRC in the application. In response to NRC questions, many commenters stated that they would access guidance on the Internet if it were available.

Other comments included the following:

- "reeks of common sense and logic"

- “when I got it, I fell in love with it”
- “it must be well-written, because I can use it”
- “my highest compliments on the document”
- “all the necessary information is in one book”
- “graphics useful,” “illustrations effective”

- "never seen this much help for applicants"
- "liked the performance-based approach"
- "liked the standard responses and the pages in Appendix B"
- "the Appendixes are really good "
- gratified that his comments submitted on the previously-used guidance (DG-0008) were incorporated into draft NUREG-1556, Volume 1

Several of the gauge manufacturers had specific comments on draft NUREG-1556, Volume 1, that the staff will consider with other comments received on the document.

Agreement State Representatives: The Agreement State representatives stated that draft NUREG-1556, Volume 1, is easy to read and use and the licensing process for portable gauges will be much improved by this document. They also commented that they looked forward to other licensing documents adopting the approach taken in draft NUREG-1556, Volume 1, and it should make the licensing process a lot easier for licensees and regulators. In addition, the Agreement State representatives provided numerous specific comments on the document that the staff will consider with other comments received on the document.

Prototype LIONS License Application Preparation and Review Program

Applicants and Gauge Manufacturers: Comments were generally very positive and supportive of the LIONS application preparation program. Commenters generally thought that the software was easy to follow and work with. A number of commenters noted that administrative staff had prepared the applications without difficulty and only needed technical clarification regarding the use of radioactive materials. Several commenters noted that the application entry program should be almost intuitive as many applicants and licensees will only use it once or a few times. Most commenters indicated that they preferred the computer-based application, rather than the paper-based application.

Many of the commenters stated that they did not need or use the HELP functions. However, others who used the HELP functions said that the information was complete and easy to understand, and offset the need to have a separate paper copy of draft NUREG-1556, Volume 1.

Other comments included the following:

- "order of magnitude step forward in the process"
- "very simple and straight forward"
- "instructions easy to follow"
- "seemed too easy"
- "applauded the program"

In the Region II pilot test, the participants received the application preparation program on five diskettes and had to load the program onto their computers. Some had difficulties with the installation of the program as well as with saving and printing applications, but they were able to overcome the problems following discussion with NRC contractors or their own in-house computer experts. Some of the participants offered specific suggestions for improving the utility and ease of use of the application entry program. These comments and suggestions are being considered as the LIONS program is further developed and refined. In response to NRC questions, several commenters stated that they would download license application software directly from the Internet if it were available.

Agreement State Representatives: The Agreement State representatives used the application entry portions of LIONS as well as the review, administrative, and management functions of LIONS. The Agreement States representatives stated that the program had a logical approach and was easy to learn and use. They also stated that the software would be useful in their own State programs and they would be interested in adapting LIONS to materials uses (other than portable gauges) as well as to machine sources. The Agreement State representatives agreed that the new process design is an order of magnitude improvement over the current review process. The representatives offered numerous specific suggestions for improving the application preparation and review software.