



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION I
2100 RENAISSANCE BLVD., SUITE 100
KING OF PRUSSIA, PA 19406-2713

April 2, 2019

Debra Shults, Director
Department of Environment and Conservation
Division of Radiological Health
William R. Snodgrass Tennessee Tower
312 Rosa L. Parks Avenue, 15th Floor
Nashville, Tennessee 37243

Dear Ms. Shults:

A periodic meeting with you and your staff was held on November 27, 2018. The purpose of this meeting was to review and discuss the status of the Tennessee Agreement State Program. The U.S. Nuclear Regulatory Commission (NRC) was represented by James Trapp, Director, Division of Nuclear Materials Safety, U.S. NRC Region I and me.

I have completed and enclosed a general meeting summary. If you feel that our conclusions do not accurately summarize the meeting discussion, or have any additional remarks about the meeting in general, please contact me at (610) 337-5089 or via e-mail at John.Miller@NRC.gov to discuss your concerns.

Sincerely,

/RA/

John Miller
Regional State Agreements Officer
Division of Nuclear Materials Safety
U.S. NRC Region I

Enclosure:

cc w/encl.: Anthony Hogan, Deputy Director
Division of Radiological Health
Billy Freeman: Deputy Director for Field Operations
Inspection and Enforcement



INTEGRATED MATERIALS PERFORMANCE EVALUATION PROGRAM
PERIODIC MEETING WITH THE STATE OF TENNESSEE

November 27, 2018

PERIODIC MEETING PARTICIPANTS

NRC

- James Trapp: Director, Division of Nuclear Materials Safety, NRC Region I
- John Miller: State Agreements Officer (SAO), NRC Region I

State of Tennessee

- Debra Shults: Director, Division of Radiological Health
- Anthony Hogan: Deputy Director, Division of Radiological Health
- Johnny Graves: Manager, Licensing and Registration
- Billy Freeman: Deputy Director for Field Operations, Inspection and Enforcement
- Ruben Crosslin: Manager, Technical Services

Tennessee Draft Periodic Meeting Summary

1.0 INTRODUCTION

This report presents the results of the periodic meeting held between the U.S. Nuclear Regulatory Commission (NRC) and the State of Tennessee. The meeting was held on November 27, 2018. The meeting was conducted in accordance with NMSS Procedure SA-116 "Periodic Meetings between IMPEP Reviews," dated June 3, 2009.

The Tennessee Agreement State Program is administered by the Division of Radiological Health, which is located in the Bureau of the Environment under the Department of Environment and Conservation (the Department). Licensing, registration and rule development activities are conducted in the Central Office located in Nashville. Inspection and enforcement activities are conducted in four field offices located in Chattanooga, Knoxville, Memphis, and Nashville.

The meeting focused on the radioactive materials program as it is carried out under the Section 274b. (of the Atomic Energy Act of 1954, as amended) Agreement between the NRC and the State of Tennessee. At the time of the meeting, the Tennessee Agreement State Program regulated approximately 516 specific licenses authorizing possession and use of radioactive materials. The Director stated that she is not anticipating any challenges for the program with regard to funding. She indicated that Deputy Commissioner of Environment, her immediate supervisor, is leaving the agency in December of 2018.

During the March 2016 Integrated Materials Performance Evaluation Program (IMPEP) review of the Tennessee Agreement State Program (the Program), the review team found the State's performance satisfactory for seven performance indicators. One two-part recommendation regarding Program performance was made by the IMPEP review team. The review team recommended that the Tennessee Agreement State Program (1) review all waste processor licenses to ensure standard license conditions are appropriately applied and consistently used; and (2) continue to develop and finalize the licensing guidance for the unique activities associated with waste processors.

On May 24, 2016, the Management Review Board (MRB) met to consider the proposed final IMPEP report on the Program. The MRB found the Program adequate to protect public health and safety and compatible with the NRC's program. Because this review was the second consecutive review with all indicators rated satisfactory, the review team recommended, and the MRB agreed, that the next IMPEP review take place in approximately 5 years and that a periodic meeting be held in approximately 2.5 years.

2.0 COMMON PERFORMANCE INDICATORS

Five common performance indicators are used to review the NRC Regional Office and Agreement State radioactive materials programs during an IMPEP review. These indicators are (1) Technical Staffing and Training, (2) Status of Materials Inspection Program, (3) Technical Quality of Inspections, (4) Technical Quality of Licensing Actions, and (5) Technical Quality of Incident and Allegation Activities.

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2.1 Technical Staffing and Training (2016 IMPEP: Satisfactory)

The Tennessee Agreement State Program has 51 positions with 30 full-time equivalents (FTE) for the radioactive materials program. The program has had 7 vacancies, one of which is an administrative position, since the last IMPEP. Vacancies are routinely filled in approximately 11 to 12 months. The Director stated that the radiation safety program is 91.5% funded by licensing fees and radiation producing machine registrations. The additional 8.5% operating cost are provided from state funds. She indicated that she receives the necessary financial resources to effectively implement the program. The Administrator confirmed that Tennessee's budget cycle runs from July 1 to June 30.

2.2 Status of the Materials Inspection Program (2016 IMPEP: Satisfactory)

The Tennessee Agreement State Program's inspection frequencies are the same as the NRC's inspection frequencies that are listed in IMC 2800. A discussion was held regarding the changes made to the NRC's IMC 2800 regarding inspection frequency timeliness.

The Tennessee Agreement State Program has completed all of their Priority 1, 2, and 3 inspections on time during the current review period. There were no inspections overdue at the time of the Periodic Meeting. Additionally, all the inspection reports were issued within 30 days of the exit meeting with the licensee. Tennessee has performed over 20% of the reciprocity inspections for candidate licensees during the calendar year 2016 & 2017. At the time of the Periodic Meeting, they were on target to meet the reciprocity inspection goal for 2018.

2.3 Technical Quality of Inspections (2016 IMPEP: Satisfactory)

Inspection guidance used by the Tennessee Agreement State Program is equivalent to the NRC's IMCs and Inspection Procedures. The Tennessee Agreement State Program issues all inspection findings, regardless of whether or not there is a violation, by written correspondence from the office. Inspection documentation is reviewed by the supervisor and issued by the inspector. All supervisory accompaniments of inspectors in calendar years 2016 and 2017 were completed.

2.4 Technical Quality of Licensing Actions (2016 IMPEP: Satisfactory)

The Tennessee Agreement State Program had 5 license reviewers. The program presently renews licenses for 10 years. There was no licensing backlog at the time of the Periodic Meeting. Amendments were generally processed in 15 days, renewals in 30 days, and new licenses in 60 days. The Tennessee program has not denied anyone a license since the last IMPEP. The program performed pre-licensing visits prior to issuing a license to all unknown entities.

Recommendation 1:

The review team recommended, and the MRB agreed, that the Tennessee agreement State Program (1) review all waste processor licenses to ensue standard license

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conditions are appropriately applied and consistently used ; and (2) continue to develop and finalize the licensing guidance for the unique activities associated with waste processors.

Status:

The Manager of Licensing indicated that the program had reviewed the waste processing licenses that had been issued and studied every condition ever used. The review ensured that license conditions were used appropriately. Some license conditions were modified to be more generic to eliminate discrepancies from license to license. However some of the license conditions remain customized in order to address the unique complexities and operations at a specific waste processor facility. In an effort to develop and finalize the licensing guidance for the unique activities associated with waste processors, the program has drafted an overarching philosophy and a checklist to provide reviewers guidance and yet allow for flexibility for licensing the varied activities performed by the waste processors.

2.5 Technical Quality of Incident and Allegation Activities (2016 IMPEP: Satisfactory)

The Tennessee Agreement State Program has processes in place to maintain effective responses to incidents and allegations. Since the 2016 IMPEP review, the NRC has not transferred any allegations to the Program for follow up action. The program consistently reports events to the NRC in a timely manner and continues to close out events in NMED as appropriate.

3.0 NON-COMMON PERFORMANCE INDICATORS

Two non-common performance indicators are used to review Agreement State programs: (1) Compatibility Requirements and (2) Sealed Source and Device (SS&D) Evaluation Program.

3.1 Compatibility Requirements (2016 IMPEP: Satisfactory)

At the time of the periodic meeting there were no regulation amendments overdue for adoption. There are a few outstanding comments associated with compatible regulations that are in the process of being addressed and resolved. The Director reviewed the process in which regulations are promulgated and issued in Tennessee. She agreed to resolve comments and bring closure for any RATS IDs that were not finalized.

3.2 Sealed Source and Device (SS&D) Evaluation Program (2016 IMPEP: Satisfactory)

The Program currently has approximately 75 active SS&D registration sheets. The program licenses three manufacturers that distribute sources and devices. The Tennessee Agreement State Program has three qualified reviewers that support the SS&D evaluation program. No evaluations of defects or incidents had been performed since the last IMPEP.

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4.0 SUMMARY

The State of Tennessee Radioactive Materials Program continues to be an effective, well-maintained Agreement State program with an experienced and well-trained staff. The Program is effectively managing its licensing and inspection activities. NRC staff recommends that the next IMPEP review should be conducted as scheduled in FY 2021.