



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION IV
1600 E. LAMAR BLVD.
ARLINGTON, TX 76011-4511

October 16, 2014

Aubrey Godwin, Director
Arizona Radiation Regulatory Agency
4814 South 40th Street
Phoenix, Arizona 85040

Dear Mr. Godwin:

A periodic meeting with your State was held on September 17, 2014. The purpose of this meeting was to review and discuss the status of the Arizona Agreement State Program. The NRC was represented by Mark Shaffer, Director, Division of Nuclear Materials Safety in NRC Region IV, Joe O'Hara from the Office of Nuclear Material Safety and Safeguards, and me. I have completed and enclosed a general meeting summary, including any specific actions resulting from the discussions.

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 817-200-1143 or email Randy.Erickson@nrc.gov to discuss your concerns.

Sincerely,

/RA/

Randy Erickson
Regional State Agreements Officer

Enclosure:
Periodic Meeting Summary for Arizona

bcc (via e-mail distribution):

Mark Shaffer, DNMS
Linda Howell, DNMS
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Pamela Henderson, FSME
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ADAMS ACCESSION NUMBER:

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AGREEMENT STATE PERIODIC MEETING SUMMARY FOR THE
ARIZONA RADIATION REGULATORY AGENCY

DATE OF MEETING: SEPTEMBER 17, 2014

NRC Attendees	Arizona Attendees
Randy Erickson, RSAO	Aubrey Godwin, Director
Mark Shaffer, Director, DNMS, R-IV	Brian Goretzki, Program Manager, RAM
Joe O'Hara, FSME	Jerry Perkins, Program Manager, X-Ray
	Dan Kuhl, Health Physicist
	Phillip (Rocky) Kern, Health Physicist
	Wayne Yates, Health Physicist

DISCUSSION:

The Arizona Agreement State Program is administered by the Arizona Radiation Regulatory Agency (the Agency). The Agency Director reports directly to the Governor. At the time of the meeting, the Program regulated the activities of 364 specific licensees.

The previous IMPEP review was conducted the week of March 26-30, 2012. At the conclusion of the review the team found Arizona's performance to be satisfactory for all common performance indicators and satisfactory but needs improvement for the non-common indicator Compatibility Requirements. The Program was found adequate to protect public health and safety and compatible with the NRC's program.

The review team recommended that the next full IMPEP review take place in four years and that a Periodic Meeting take place in one year to monitor the Program's progress on catching up on backlogged regulations. That Periodic Meeting was held on February 12, 2013. At the time of the 2013 meeting, the Program was under a moratorium regarding new regulation development and while the Program has been able to work through the moratorium, they had not yet effectively caught up on backlogged regulations. At that time it was agreed upon that another Periodic Meeting be held in approximately 18 months to further review the Program's progress on rule development.

Other topics discussed at the meeting included:

Program Strengths:

While the Program is authorized for six health physicists, they are only budgeted for, and have four full-time health physicists who are cross trained to perform both inspections and licensing actions. This cross training is necessary so that the Program can keep up with the workload with limited staff by utilizing them where they are needed the most. The Program noted that each of the four health physicists are long term employees and are fully qualified. These four health physicists are also required to perform emergency response duties as required.

Enclosure

Program Weaknesses:

The Program reported they are concerned about staffing and has identified it as a primary programmatic weakness. Currently the Program is authorized for six materials inspectors but is only allowed to fill four of those positions. Those same four individuals have been maintaining the Program for several years. While they have been able to keep up with the work to this point, at least two of those individuals are close to retirement and could leave at any time. If this happens, the Program believes it would likely cause them to fall behind on licensing actions and inspections, and not be able to provide sufficient staff for emergency response operations.

Feedback for NRC:

- The Program acknowledged that while the theft of portable moisture density gauges is an issue affecting all states, Arizona has recently experienced a larger than average number of thefts of these devices, with six having been stolen as of the date of the review. The Program has recommended a joint NRC-Agreement State working group be formed to look into the possibility of placing GPS tracking devices on gauges to aid in their recovery.
- The Program stated they are concerned that RSO's are allowed to by RSO's on multiple licenses in different geographical areas. The Program does not believe that they are able to effectively respond to emergencies, etc., if they are not on or near a site.
- The Program requested that NRC hold a Financial Assurance Webinar.

Staffing and training:

The Arizona Radioactive Materials Program is managed by the Director and a Program Manager with responsibility for four inspectors and 364 licensees. The Program is budgeted for six staff, but has only been authorized to staff four positions. Each of the staff is fully qualified with several years of experience. Two of the staff members are eligible for retirement which is expected to present a difficulty for the program when it occurs. Training has not been an issue for the Program.

Program reorganizations:

The Program has not been subject to reorganization since the 2012 IMPEP review.

Changes in Program budget/funding:

The Program is not experiencing any problems with budgeting or funding.

Materials Inspection Program:

The Program reported that they have not had any overdue inspections since the 2012 review. Initial inspections are typically performed within 12 months of issuance. They continue to inspect reciprocity licensees and have not had difficulty performing inspections on at least 20 percent of candidate reciprocity licensees. The Program performs Increased Controls inspections concurrent with health and safety inspections. Supervisory accompaniments are performed annually.

Licensing Program:

The Program reported that the licensing program is active. Each of the staff performs both inspections and licensing actions as assigned. The more senior individuals perform the more advanced or complex licensing actions. The Program noted that licensing actions are tracked and that no backlogs exist.

Sealed Source and Device Evaluation Program (SS&D):

The Program reported that the SS&D Program is inactive at the present time. No actions have been taken since the 2013 Periodic Meeting.

Regulations and Legislative changes:

The Program reported that one legislative package affecting the Program was adopted since the 2013 Periodic Meeting. The Small Business Bill of Rights was passed which allows licensees to appeal inspection findings.

On August 15, 2014, the Program submitted a final regulation package containing amendments 2005-2, 2006-1, 2007-1, 2007-3, 2008-1 and 2009-1. This final regulation package was approved by NRC. With this submission, the Arizona Program is now up to date on regulations. The next amendment due will be 2011-2 due for State adoption on November 14, 2014.

Event reporting, including follow-up and closure information in NMED.

Since the 2013 Periodic Meeting, the Program reported 11 events to NMED. At the time of the 2014 Periodic Meeting, all 11 were currently open. Program reported they will complete the event reviews and will close them soon.

Response to incidents and allegations.

The Program continues to be sensitive to notifications of incidents and allegations. Incidents are quickly reviewed for their effect on public health and safety. Incidents are evaluated for safety significance and staff is dispatched to perform onsite investigations as indicated.

Status of allegations and concerns referred by the NRC for action.

The Program continues to process allegations as they are received. Since the 2013 Periodic Meeting, the NRC has referred two allegations to the Program. Each of the allegations received by the Program is being investigated and will be closed when completed. The Program continues to be sensitive to issues of identity protection regarding alleged.

Current NRC initiatives:

The following NRC initiatives were discussed with the Program:

- FSME – NMSS Merger
- NRC's inspector qualification program (IMC 1248)
- Updates on the NUREG 1556 series revisions
- Rulemaking Initiatives
- IMPEP Performance Metrics
- Merging of the Policy Statements and ASPEI activities
- Policy Statements for Agreement States on Adequacy and Compatibility

Schedule for the next IMPEP review:

It is recommended that the next IMPEP review to be held on schedule in March 2016.