



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

September 30, 2016

MEMORANDUM TO: Cynthia D. Pederson, Administrator
Region III

FROM: Daniel S. Collins, Director */RA/*
Division of Material Safety, State, Tribal
and Rulemaking Programs
Office of Nuclear Material Safety
and Safeguards

SUBJECT: APRIL 18, 2016, PERIODIC MEETING UNDER THE
INTEGRATED MATERIALS PERFORMANCE EVALUATION
PROGRAM

A periodic meeting with Region III was held on April 18, 2016. The purpose of the meeting was to review and discuss the status of the U.S. Nuclear Regulatory Commission Region III Radioactive Materials Program. The Office of Nuclear Material Safety and Safeguards was represented by Lisa Dimmick, Paul Michalak, and myself. Specific topics and issues of importance discussed at the meeting included the status of operating plan and performance metrics, status of staffing and training, licensing and inspection activities, and a review of regional self-assessments.

Enclosed is a general meeting summary, no performance concerns with respect to the Integrated Materials Performance Evaluation Program criteria were identified. A Management Review Board (MRB) meeting to discuss the outcome of the periodic meeting has been scheduled for October 25, 2016 at 1:00 p.m. (ET). Call in and video conferencing information for the MRB will be provided in a separate transmission.

I appreciate the support and preparation for this periodic meeting from the Region III management and staff.

Enclosure:
Periodic Meeting Summary

cc: John Giessner, Director
Division of Nuclear Materials Safety

PERIODIC MEETING SUMMARY FOR
 NRC REGION III RADIOACTIVE MATERIALS PROGRAM
 DATE OF MEETING: APRIL 18, 2016

NRC Nuclear Material Safety and Safeguards (NMSS) Attendees	NRC REGION III Attendees
Dan Collins, Director Division of Material Safety, State, Tribal and Rulemaking Programs	Cynthia Pederson, Regional Administrator NRC Region III
Paul Michalak, Branch Chief Agreement State Programs Branch Division of Material Safety, State, Tribal and Rulemaking Programs	Jack Giessner, Director Division of Nuclear Materials Safety
Lisa Dimmick, Senior Health Physicist Agreement State Programs Branch Division of Material Safety, State, Tribal and Rulemaking Programs	Christine Lipa, Deputy Director Division of Nuclear Materials Safety
	Aaron McCraw, Branch Chief Materials Inspection Branch
	Patricia Pelke, Branch Chief Materials Licensing Branch
	Jim Lynch, State Agreements Officer Region III

DISCUSSION:

The previous Integrated Materials Performance Evaluation Program (IMPEP) review of the U.S. Nuclear Regulatory Commission (NRC) Region III office was conducted the week of September 24–28, 2012. The review team found Region III’s performance to be satisfactory for all performance indicators reviewed. The review team did not open any recommendations regarding program performance and there were no recommendations from prior IMPEP reviews to close. Accordingly, the review team recommended, and the MRB agreed, that the Region III program is adequate to protect public health and safety. In addition, Region III was given a 1-year extension of its next IMPEP review for having two consecutive IMPEP reviews with all indicators found satisfactory. The MRB directed that the next IMPEP review be in 5 years (September 2017) with a periodic meeting held mid-cycle. This summary is a reflection of that periodic meeting which was held on April 18, 2016.

The following topics were discussed during the periodic meeting:

Status of the Region’s Program

The NRC Region III radioactive materials program is administered by the Division of Nuclear Materials Safety (the Division). The Division is composed of three branches: Materials Inspection Branch (MIB), Materials Licensing Branch (MLB), and the Materials Control, ISFSI, and Decommissioning Branch. The Division has not reorganized since the last IMPEP review; however, an organizational adjustment was made. The MLB added a licensing assistant who provides a quality assurance role for Web Based Licensing (WBL).

Status of operating plan metrics:

The Region provided its Operational Management Information (OMI) for fiscal years (FY) 2014, 2015, and 2016 for review and discussion by meeting participants. These reports are updated quarterly. No issues were identified with respect to operating plan metrics. Specific areas of the OMI metrics in inspection and licensing as they relate to the IMPEP performance indicators are discussed below.

IMPEP Performance Indicators

Technical Staffing and Training (2012 IMPEP: Satisfactory)

The attendees reviewed the Division's staffing level, along with the status of inspector and license reviewer qualifications. The Division reported it is budgeted for 28 technical staff. At the time of the periodic meeting there was one vacancy: one position in inspection was not posted at that time, pending the Commission decision on consolidation. No concerns with staffing were identified.

The Division uses the qualification program outlined in NRC Inspection Manual Chapters (IMC) 1248, "Formal Qualification Programs for Federal and State Material and Environmental Management Program." No concerns with staff qualifications and training were identified.

Status of Materials Inspection Program (2012 IMPEP: Satisfactory)

At the time of the periodic meeting, the Division reported it had no overdue inspections, and had performed no inspections overdue by more than 25 percent of the inspection frequency in IMC 2800, "Materials Inspection Program" since the last IMPEP review in 2012 with one exception. An initial inspection was attempted for one licensee. Because no activities had been performed under the license, another initial inspection should have been conducted within the one year. However, the next inspection schedule was set in WBL at the routine frequency for the license type (September 2014) and not as an initial inspection. As a result, the initial inspection became overdue. Once the error was discovered, another initial inspection was immediately scheduled and completed in May 2014. Subsequently, the frequency for the next inspection was appropriately set in WBL. The Division conducted an extent of condition assessment and confirmed there were no other examples of initial inspections being mischaracterized in WBL.

The Division reported that it met its reciprocity targets by inspecting 20 percent or greater of candidate licensees in FY 2014, 2015 and 2016. The Division tracks the timeliness of inspection report issuance and reported it met timeliness targets for each fiscal year since 2012.

Technical Quality of Inspections (2012 IMPEP: Satisfactory)

The Division met its metrics for inspection accompaniments in FY 2014, 2015 and 2016. The MIB Chief commented that the branch has received positive feedback on Part 37 inspections from the Office of Nuclear Material Safety and Safeguards and the Office of Enforcement provided positive feedback on the quality of inspection reports and the in-depth assessments contained therein.

Technical Quality of Licensing Actions (2012 IMPEP: Satisfactory)

Materials licensing casework for new, amendment, and renewal applications all met the operating plan metrics for FY 2014, 2015, and 2016. In addition to licensing activities for Region III's materials licenses, the Division oversees the Department of Veteran Affairs (VA) master materials license (MML). In the oversight of the VA MML, the MLB Chief attends the VA's quarterly National Radiation Safety Committee meetings. During the meeting, the MLB chief discussed some practices of the MLB staff to assure license quality. For instance, when staff processes amendments, the reviewer is expected to review the license for other items in the license that need to be updated.

Technical Quality of Incidents and Allegations (2012 IMPEP: Satisfactory)

Attendees discussed the Division's program for incident response including the completeness and timeliness of NMED reporting. The Division has had 121 events since the last IMPEP review. The Division conducted 31 reactive inspections based on the safety significance of the event. For the reactive inspections, the Division provided a text narrative of the event and corresponding reactive inspection in the "Noteworthy Accomplishment" section of the Division's OMI reports. For those events that do not warrant a reactive inspection, a note to file is made to followup on the event at the next inspection.

With respect to allegations, the Division reported there were 45 allegations received since the last IMPEP and all were closed timely.

Review of Regional self-assessments:

The Division includes in the OMI its self-assessment plan for each fiscal year. The self-assessment plan typically includes a quality review of material licensing actions, quality review of inspection findings, financial assurance instrument security, and decommissioning licensing. Other assessment areas might include Region III's Radiation Safety Program and activities like the accuracy of submissions to the Agencywide Document Management System. The self-assessments are tools designed to identify issues related to Region III's licensing and oversight program. If issues are identified, the Division implements commensurate corrective actions.

NMSS initiatives that may impact the Regions:

NMSS managers presented several current initiatives ongoing at NRC. These included:

- Project AIM
- Rebaselining
- NUREG 1556 series update
- Status of the combined policy statements on adequacy and compatibility
- Status of the Government Accountability Office license audit
- Web Based Licensing
- Wyoming and Vermont pursuing agreements

Conclusion

No performance concerns with respect to the IMPEP criteria were identified. There are no overdue inspections or backlog of licensing actions. Response to incidents and allegations has been appropriate. No concerns with staffing and training were noted. Staff recommends to the MRB that the next IMPEP review of the Region III radioactive materials program be held in FY 2017 as currently scheduled.