



UNITED STATES
NUCLEAR REGULATORY COMMISSION

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

June 3, 2014

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

Dear Ms. Shults:

A periodic meeting was held with you and your staff on April 17, 2014. The purpose of the meeting was to review and discuss the status of the Tennessee Department of Environment and Conservation's Agreement State Program. The NRC was represented by Michelle Beardsley and me.

I have completed and enclosed a general meeting summary, including any specific actions that will be taken as a result of this meeting. 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) 337-5371, or email Donna.Janda@nrc.gov to discuss your comments.

Sincerely,

/RA/

Donna M. Janda
Regional State Agreements Officer
Division of Nuclear Materials Safety

Enclosure: As stated

AGREEMENT STATE PERIODIC MEETING SUMMARY FOR TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION

DATE OF MEETING: April 17, 2014

NRC Attendees	TN Department of Environment and Conservation Attendees
Donna Janda, RSAO, Region I	Chuck Head, Senior Director, Land Resources
Michelle Beardsley, Health Physicist, FSME	Debra Shults, Director, Division of Radiological Health
	Anthony Hogan, Deputy Director
	Billy Freeman, Deputy Director for Field Operations
	Johnny Graves, Licensing Manager
	Ronald Parsons, Health Physicist
	Ruben Crosslin, Health Physicist

DISCUSSION:

During the 2012 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 all seven performance indicators. No recommendations regarding Program performance were made by the IMPEP review team. On July 10, 2012, the Management Review Board (MRB) met to consider the proposed final IMPEP report on the Tennessee Agreement State Program. The MRB found the Program adequate to protect public health and safety and compatible with NRC's program. The MRB directed that the next full IMPEP review take place in approximately four years.

Topics covered during this meeting included:

Program Strengths

The Program identified the following list of strengths:

- An experienced and well-trained licensing and inspection staff with health physics expertise
- Unique licensees such as waste processors
- No turnover in licensing staff
- Convenient access to ORISE, REACTS, DOE (all based in Tennessee) when needed
- Management support for training and continuing education; sending more than one staff member to National meetings
- Information exchange between licensing and inspection staff
- Well-staffed in inspection program; able to meet metrics; cross-training of inspection staff allows for flexibility in inspection program
- Knowledge sharing opportunities including in-house training and monthly videoconferences with inspectors
- Hiring process has changed which allows for flexibility in selection of qualified candidates

Enclosure

Program Weaknesses

The Program noted that salaries continue to decline in comparison to other State and NRC counterparts.

Agreement State Program Staffing and Training

The Program currently has approximately 24 full-time equivalent staff members including managers with five staff vacancies. Two of these vacant positions have been upgraded to manager positions. Interviews were scheduled to be conducted the week after this meeting. An offer has been made to an individual for one of the vacant technical staff positions. No positions have been eliminated. The Program does not have any staff going through the qualification process at this time.

Organization

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 Department is currently undergoing reorganization. Some management and supervisory positions are expected to be eliminated. In addition, the Program noted that job titles are changing for technical positions in the Program. These positions will no longer be listed under a health physicist title. Correspondingly, salary grades will also change for these positions. The Program is in the process of identifying program efficiencies and expects to move some workload functions from the field offices to the Central office as part of the reorganization effort.

Program Budget/Funding

The Program enacted a fee increase which was effective in May 2013. Fees were raised 20-30 percent in the X-ray and radioactive materials programs. The State has an overall budget shortfall of \$200 million impacting State employees' salary increases which were scheduled to begin in July 2014.

Inspection and Licensing Programs

The Program reported no backlog in inspections since the 2012 IMPEP review. Inspection reports are being tracked and issued within 30 days of the conclusion of the inspection. The Program drafted and implemented a new inspection procedure for conducting initial inspections. Staff members were trained on the new procedure. The Program continues to conduct reciprocity inspections for greater than 20 percent of candidate licensees. Regional Field Office managers continue to conduct annual supervisor accompaniments for all qualified inspectors. Field Office managers who also conduct inspections are accompanied by other managers on an annual basis.

The Program currently has approximately 580 specific licenses. Every six months, the Program files a report to the State legislature on permitting actions, including radioactive materials

Enclosure

licenses. The Program noted that there has never been a licensing action that was not reviewed or completed within the required timeframe. New licenses receive priority status for completion. The licensing staff has 60 days to review the license application. This 60-day time limit is set by statute. Standard amendments and renewal actions do not have time limits set by statute; however, the internal timeframe for review of the licensing actions is 10 business days for amendments and 20 business days for renewals and SS&D actions. The Program has a goal of 95 percent of the actions being completed within the set timeframes. Licensing staff noted that they have not experienced significant challenges meeting these goals.

The licensing staff uses the pre-licensing guidance to review licensing actions and conducts pre-licensing site visits when applicable.

Regulations and Legislative Changes

There have not been any legislative changes or proposals that have affected the Program since the 2012 IMPEP review. The Program currently has no overdue regulations. The Program noted that Tennessee regulations for the control of radiation, which are found in the "Rules of the Department of Environment and Conservation," were moved from Chapters 1200-02-04 through 1200-02-12 to Chapters 0400-20-04 through 0400-20-12 since the 2012 IMPEP review.

On February 27, 2014, the Program submitted three proposed regulation amendments to NRC for review. The Program is researching the changes in the remaining regulation amendments, including the new 10 CFR Part 37, to prepare proposed rules for submission to NRC for review.

Event Reporting

The Program has reported 40 events to the NRC since the 2012 IMPEP review. Seven of the reported incidents were for events that occurred prior to the 2012 IMPEP review and had not been previously reported to NRC. The Program continues to close out events in NMED as appropriate.

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. Staff is dispatched to perform onsite investigations when necessary. The Program is aware of the need to maintain an effective response to incidents and allegations. Since the 2012 IMPEP review, NRC has not transferred any allegation to the Program for follow up action. The Program has followed up on six allegations which were received by the Program since the 2012 IMPEP review.

Sealed Source and Device (SS&D) Evaluation Program

The Program currently has approximately 40 active SS&D registration sheets, including one new sheet for a custom device (calibrator).

Current State Initiatives

The Program managers noted that the Department is working toward the use of electronic documents (e.g., fillable forms, database). In addition, the State is focused on budget

accountability and is looking for efficiencies in State programs in order to address the State budget shortfall anticipated for Fiscal Year 2015 beginning in July.

Large, Complicated, or Unusual Authorizations for Use of Radioactive Material

The Program issued an authorization to a waste processor for treating wastewater received from nuclear power plants. The Program worked closely with Water Resources staff and the City of Oak Ridge on this authorization.

In addition, the Program addressed several other large, complicated or unusual authorizations since the 2012 IMPEP review, including the issuance of a new waste processing license and a new nuclear laundry license. The Program has approved the sale and name change of one waste processor (two locations of use) to another waste processor. The Program has decommissioned and terminated the license of a company that filed for bankruptcy. The former licensee's financial assurance mechanism was used for the decommissioning activities.

State's Mechanisms to Evaluate Performance

The Program generates monthly reports and conducts monthly meetings as tools for evaluating Program performance in the licensing and inspection areas. The Program also develops an annual work plan as part of a Bureau of the Environment initiative to set performance goals.

CONCLUSIONS:

The State of Tennessee Radiological Health Program continues to be an effective, well-maintained Agreement State program with an experienced and well-trained staff. There are five vacancies in the Program at this time; however, 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 2016 (tentatively April 2016).