



REPORT OF THE WORKING GROUP ON
IMPEP LESSONS LEARNED

April 1, 2002

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EXECUTIVE SUMMARY

Based upon the experiences gained through conducting the Integrated Materials Performance Evaluation Program (IMPEP), a working group was tasked to review the IMPEP program for lessons learned. Working Group Membership consisted of two members from the Office of State and Tribal Programs, one member from the Office of Nuclear Material Safety and Safeguards, one member from the State of Texas, and one member from the State of Washington. The Working Group's charter contained five tasks. Those tasks were: 1) evaluation of IMPEP performance for additional enhancements; 2) utilization of performance data in the National Materials Event Database (NMED) and expansion of review criteria to assess program initiatives; 3) effectiveness of between-IMPEP interactions; 4) areas for specific examination during IMPEP; and 5) voting rights for the Agreement State Liaison to the Management Review Board.

The Working Group used many sources of information to assess the IMPEP program and address the five tasks including survey replies from Agreement State and NRC program managers and IMPEP team members, analyses of periodic meeting summaries, and interviews with Organization of Agreement States (OAS) Liaisons and Management Review Board (MRB) members. The Working Group determined that IMPEP has served the Agreement States and NRC effectively in addressing areas where a program needed to take prompt action to address deficiencies (i.e., New Mexico, Nebraska, Kansas), and that IMPEP has been and is a dynamic and evolving program. MRB minutes and comments, IMPEP experience, and the overwhelming positive comments from the survey data and MRB members' interviews support these conclusions.

Although it was determined that IMPEP is working well, the Working Group did identify a number of areas where the IMPEP process can be improved. These improvements are characterized as either substantive changes, enhancements, or items for future action. Substantive changes are improvements to IMPEP that will require significant changes to NRC policy or the IMPEP process in order to implement. The Working Group believes that these changes are worth the necessary resources as they will greatly strengthen the IMPEP process. The second category of improvements is enhancements. These are improvements that can be accomplished through minor revisions to current policy and procedure or through IMPEP team member training. The final category is items for future action. These are improvements that are not necessary for immediate implementation. They should be implemented in the future such as when Management Directive 5.6 is next revised, or once more information is collected on a specific topic.

The substantive changes include revising the criteria for the non-common performance indicators to be performance-based, and completing the guidance for all non-common performance indicators. Numerous survey comments, MRB minutes, and past IMPEP reports indicate that this is a high priority and substantive changes are needed to improve the consistency and performance-based focus for reviews of non-common performance indicators. Another high priority substantive change is to make the periodic meetings with Agreement States more effective by focusing on self-audits and requiring updates to the IMPEP questionnaire. Reporting the results of the periodic meetings at MRB meetings should continue. These changes are supported by survey results, MRB meeting minutes, interviews with MRB members, and IMPEP performance in comparison to issues identified at periodic meetings. The final substantive change is to expand the scope of IMPEP to include all NRC programs similar to Agreement States. This recommendation is based upon IMPEP experience and survey comments.

Enhancements and items for future action primarily involve enhancing the current IMPEP training and procedures to further emphasize such elements as performance based reviews, use of NMED data, and focusing reviews on inspections or licensing actions that are more complex or have a higher risk. Implementation of these improvements should strengthen the IMPEP process. The Working Group did not estimate the resources required to implement its recommendations.

ACKNOWLEDGMENT

The Working Group would like to thank Ms. Jennifer Palguta for all of her efforts in helping us accomplish the initial tasks set before us in such a short period of time. Her products gave us a complete, well-rounded understanding of the trends and opportunities for enhancement of the IMPEP process.

INTRODUCTION

In 1994, the US Nuclear Regulatory Commission (NRC) designed and piloted a review process for Agreement State and NRC Regional materials programs called the Integrated Materials Performance Evaluation Program (IMPEP). The review process was created to assure that public health and safety are adequately protected from the hazards associated with the use of radioactive materials and that Agreement State programs are compatible with NRC's program. Common performance indicators were established to obtain comparable information in the evaluation of both types of programs. In 1995, NRC began full implementation of IMPEP. The IMPEP process employs a team of NRC and Agreement State staff to assess both Agreement State and NRC Regional radioactive materials licensing and inspection programs. IMPEP reviews are currently conducted in accordance with the "Implementation of the Integrated Materials Performance Evaluation Program and Recission of Final General Statement of Policy," published in the Federal Register on October 16, 1997, and the November 5, 1999, NRC Management Directive (MD) 5.6, "Integrated Materials Performance Evaluation Program."

All reviews use common criteria and place primary emphasis on performance. Additional areas are identified as non-common performance indicators and may also be addressed. The final determination of adequacy of each NRC Regional program and of both adequacy and compatibility of each Agreement State program, based on the review team's report, is made by a Management Review Board (MRB) composed of NRC managers, and an Agreement State program manager, who serves as an Agreement State Liaison to the MRB.

The Office of State and Tribal Programs (STP) is the lead office responsible for the Agreement State reviews. The Office of Nuclear Material Safety and Safeguards (NMSS) is the lead office responsible for the NRC Regional reviews. STP, in coordination with NMSS, has the lead for guidance development for the performance indicators, management of reviews and MRB meetings, and IMPEP training for reviewers.

From its inception, IMPEP has been an iterative process. As the program progressed from the pilot through interim implementation to final implementation, NRC staff has factored in experience, comments, and suggestions to enhance IMPEP. In 1999, NRC completed its first round of IMPEP reviews for all Agreement States. At the completion of this first cycle of reviews, NRC management suggested that an independent examination by a Working Group of the IMPEP experiences to date could further enhance this program. A Working Group composed of representatives of Agreement State Programs and the NRC was tasked with conducting the independent examination.

This report is organized into three main chapters. The first chapter outlines the tasks established for the Working Group. The second chapter discusses the scope and methodology used by the Working Group. The final chapter contains the findings and recommendations of the Working Group. The charter for the Working Group is provided in Appendix A. The Working Group coordinated its efforts with the Steering Committee for the National Materials Program Working Group. Members of Working Group and the Steering Committee are listed in Appendix B. Additional supplementary information can be found the remaining appendices.

I. TASKS

In examining the IMPEP process, the Working Group was given the following five tasks to perform.

Task 1 - Evaluation of IMPEP Performance for Additional Enhancements

The Working Group was tasked with evaluating IMPEP's performance for additional enhancements, including: whether the set of IMPEP elements is complete and sufficiently focused; whether changes are needed in the indicator criteria; and whether there are any patterns or issues identified from MRB reviews, discussions during MRB meetings, or changes to draft IMPEP reports that should be addressed (e.g., whether the reviews and reports can be enhanced to better address the technical quality of inspections, whether additional inspection accompaniments may be desirable when significant areas of improvement are identified in a Regional or State inspection program).

Task 2 - Utilization of Performance Data in the Nuclear Materials Events Database and Expansion of Review Criteria to Assess Program Initiatives

The Working Group was tasked with examining how to best utilize National Materials Events Database (NMED) performance data and reported as outcome measures, in preparing for and focusing reviews, as well as the extent to which the goals, measures, and metrics of the strategic plan can be used as key issues or questions to focus the review of each common and non-common performance indicator. Additionally, the Working Group was tasked to evaluate whether IMPEP review criteria should be added or expanded to assess the outcomes of program initiatives to bring licensees into compliance with rules and license conditions, as well as to prevent recurrence of violations.

Task 3 - Effectiveness of Between-IMPEP Interactions

The Working Group was tasked with examining the effectiveness of between-IMPEP interactions, such as the value of periodic meetings, the need for any modifications to the periodic meeting process, and the effectiveness/use of structured program self-audits between IMPEP reviews.

Task 4 - Areas for Specific Examination During IMPEP

The Working Group was tasked with identifying areas that should be considered for specific examination during IMPEP reviews, based on the review experience to date, such as the handling of complex or controversial licensing actions.

Task 5 - Voting Rights for the Agreement State Liaison to the MRB

The Working Group was tasked with reevaluating whether the Agreement State Liaison to the MRB should be a voting member of the MRB.

II. SCOPE AND METHODOLOGY

The Working Group's scope of work was to independently examine the first cycle of IMPEP reviews and experiences to date to make recommendations that could further enhance the IMPEP program. The Working Group held teleconferences on June 8, 2001, and July 10, 2001. Two meetings of the Working Group were held July 31-August 2, 2001, and September 4-6, 2001. Because of the events of September 11, 2001, the completion of the Working Group's report was delayed until 2002.

To complete the tasks as outlined in Section I, the Working Group:

1. Reviewed the "Implementation of the Integrated Materials Performance Evaluation Program and Recission of Final General Statement Policy," published in the Federal Register on October 16, 1997; the November 5, 1999, NRC Management Directive (MD) 5.6, "Integrated Materials Performance Evaluation Program"; and existing STP procedures and guidance;
2. Examined MRB minutes from December 1995 through June 2001 and prepared a summary document that included all MRB-directed changes to findings and recommendations, trends in performance-based recommendations, and specific direction provided to NRC management on changes to the IMPEP process;
3. Conducted interviews June - July 2001, of current MRB members and the five current experienced Agreement State Liaisons, for their insights into the IMPEP process;
4. Compiled and analyzed the results of periodic meetings and compared those results with the outcome of IMPEP reviews for Agreement States during the period of December 1995 through June 2001, to determine if there were any correlations;
5. Reviewed all IMPEP reports and Periodic meeting summaries from December 1995 to June 2001, to determine which Agreement State/Regions are conducting self-audits;
6. Developed and transmitted a survey, dated May 31, 2001, to solicit input from 127 stakeholders, i.e., Agreement States, NRC Regions, and NRC headquarters;
7. Analyzed survey responses from 55 stakeholders;
8. Reviewed results from the 1998 report "Assessments of Quality and Effectiveness of the IMPEP Reports and Process," to determine the status and actions taken on the report's recommendations;
9. Created a number of formal improvements for the IMPEP process and determined if an improvement was a substantive change, an enhancement, or an item for future action (a complete listing of recommended improvements can be found in Appendix C);

10. Evaluated and prioritized each of the substantive changes in the context of the four NRC performance goals (see Appendix D); and
11. Drew from historical knowledge of working group members and resources representatives.

III. FINDINGS AND RECOMMENDATIONS

The findings and recommendations of the Working Group are discussed in this chapter and organized using the five separate Working Group tasks. Each recommendation is designated as either a substantive change, an enhancement, or an item for future action. The substantive changes recommended by the Working Group are then ranked in the context of the four NRC performance goals.

Task 1 - Evaluation of IMPEP Performance for Additional Enhancements

As noted in the Working Group Charter, one of the strengths of the IMPEP process has been the program's ability to factor in experience, comments, and suggestions to enhance the program. This iterative process has occurred through the biannual IMPEP team member training, development and updating of STP procedures, and the STP project management of the IMPEP program. The Working Group gathered many worthwhile specific comments and enhancements involving training and existing procedures. All these comments were considered by the Working Group in developing the final report. A number of these program improvements were supported by the Working Group without discussion. As such, all of these improvements will not be discussed in depth in the report. Instead, a complete listing of the recommendations involving training and guidance supported by the Working Group can be found in Appendices E and F. Specific details of the recommendations involving training can be found in Appendix E. Specific details of the recommendations involving guidance can be found in Appendix F.

Recommendation 1-1 (Enhancement): The Working Group recommends that IMPEP team member training should address the recommended enhancements, as noted in Appendix E.

Recommendation 1-2 (Enhancement): The Working Group recommends that existing STP procedures be revised to address the recommended enhancements, as noted in Appendix F.

The following specific areas were examined for additional improvements and changes to the IMPEP process:

1.1 SCOPE OF IMPEP

Originally, IMPEP was designed as a process to evaluate NRC Regional and Agreement State radiation control programs in an integrated manner, using common and non-common performance indicators, to ensure that public health and safety are adequately protected. As noted in Appendix G, the IMPEP process has received recognition from the Agreement States and NRC as a successful program. There has been interest from other Federal and State agencies in adopting this approach to other review processes, such as the Food and Drug Administration's mammography program. In 1999, Organization of Agreement States (OAS) conducted an IMPEP-based review of the NMSS Headquarters' sealed source and device (SS&D) program, at the request of the NRC. This pilot was outside the scope of MD 5.6, but was considered worthwhile by NRC and OAS. A second review of this type was conducted the week of September 10, 2001. Several suggestions were made by survey responders to expand the scope of the IMPEP reviews

to other Headquarters licensing and inspection functions. The Working Group noted the success of the NRC SS&D program reviews and agreed with survey responders that expanding the scope of IMPEP would bring balance and equivalency to the program.

Recommendation 1-3 (Substantive Change): The Working Group recommends that consideration be given to expanding the IMPEP process to include all licensing and inspection functions carried out by NRC Headquarters staff (such as SS&D evaluation, general/exempt licensing, fuel cycle, etc.).

The Working Group discussed the recommendation that the scope of IMPEP reviews be expanded to include the review of radiation safety programs for Federal and State employees, as proposed by the Division of Industrial and Medical Nuclear Safety, NMSS. For the NRC, this program includes the NRC staff dosimetry program, mail room x-ray machines, the employee exposure database system, surveys and disposal records, and MD 10.131, "Protection of NRC Employees Against Ionizing Radiation." The Working Group did not support this expansion in either NRC Regional or Agreement State reviews, because it is not related to the adequacy or compatibility of materials programs. The Working Group believes that audits of NRC's radiation safety programs should be done as an independent audit outside of the IMPEP process and more often than every 4 years.

1.2 FOCUS OF IMPEP

A review of the changes directed by the MRB over the first cycle of reviews showed an evolution of recommendations from prescriptive to performance-based. As reviews became more performance-based, the number of recommendations has decreased. The Working Group supports the emphasis by the MRB that recommendations should be performance-based. The Working Group is recommending that the need for recommendations to be performance-based, as well as the need to minimize recommendations when an indicator is found fully satisfactory, be reemphasized at the IMPEP team member training (**Note:** This improvement is included as part of Recommendation 1-1. See Appendix E).

Risk-informed assessments were discussed as they relate to how reviews are conducted as well as how Regional and Agreement State programs are implemented. The Working Group agreed that though it is not specifically mentioned in the IMPEP guidance, IMPEP teams tend to select the more significant casework from a risk standpoint. The Working Group is recommending that additional guidance be developed and additional training be given to assure that reviewers select the more significant actions undertaken from a risk standpoint (**Note:** This improvement is included as part of both Recommendations 1-1 and 1-2. See Appendices E and F).

1.3 THE IMPEP QUESTIONNAIRE

The Working Group examined the comments and suggestions dealing with the IMPEP questionnaire. The IMPEP questionnaire is used by IMPEP review teams to prepare and focus an upcoming review. Prior to a review, a program fills out the questionnaire with information about the program and its activities. The IMPEP questionnaire is subject to approval through the Paperwork Reduction Act by the Office of Management and Budget (OMB) in "The Criteria for Guidance of State of and NRC in Discontinuance of NRC Regulatory Authority and Assumption

Thereof by States Though Agreement and IMPEP Questionnaire” OMB No. 3150-0183. Several survey responders commented that the questionnaire was too long. The Working Group noted that in preparation for the 3-year OMB re-approval process (expiration date 5/30/01), a revision to the IMPEP questionnaire, based on experience to date, was sent to both the Agreement States and NRC Regions for review and comment on June 21, 2000 by STP. Three Agreement States, the four NRC Regions, and NMSS submitted comments that were reflected in the questionnaire that was approved on June 18, 2001 with an expiration date of June 30, 2004. Given that the questionnaire is subject to reevaluation for OMB approval every three years, the Working Group proposes that there be no change to the IMPEP questionnaire at this time. The few significant comments that were offered by the survey responders will be addressed at the next revision to the questionnaire by STP, who has the responsibility for the renewal of the OMB clearance.

The Working Group discussed the STP web page that contains review reports and the ease of retrieving past questionnaire responses. Questionnaire responses are not always clearly identified or easily retrievable from the web page. See the Task 3 discussion and recommendations for findings involving periodic meetings. If an updated/modified questionnaire is adopted to focus the periodic meetings, these updates and the periodic meeting summaries should also be posted on the STP web page.

Recommendation 1-4 (Enhancement): The Working Group recommends that all IMPEP questionnaires and periodic meeting summaries be clearly identified and posted on the STP web page.

1.4 CRITERIA IN MANAGEMENT DIRECTIVE AND HANDBOOK 5.6

The Working Group examined the IMPEP criteria to ensure that they are complete and sufficiently focused. The Working Group discussed whether any criteria changes were suggested through the survey results, and whether there are any patterns or issues identified from changes to draft IMPEP reports or discussions during MRB meetings that should be addressed through revision to the IMPEP criteria.

Thirty survey responders supported the common performance indicators and 14 suggested changes. Many of the suggestions or revisions mentioned are enhancements to training and guidance, not to the criteria as found in MD 5.6. We have listed those enhancements in Appendices E and F in connection with Recommendations 1-1 and 1-2. Based on the experience to date and comments received, the Working Group believes that there is no need to change the specific criteria for the common performance indicators in Handbook 5.6. The Working Group did note that some confusion could be eliminated by clarifying indicator titles and finding labels in Handbook 5.6.

Recommendation 1-5 (Future Action): The Working Group recommends that the following clarifications be made to Handbook 5.6:

- a. “Satisfactory with Recommendations for Improvement” should be renamed “Satisfactory, But Needs Improvement.”
- b. “Response to Incidents and Allegations” should be renamed “Technical Quality of Incident and Allegation Activities.”

- c. “Legislation and Program Elements Required for Compatibility” should be renamed “Compatibility Requirements.”

In examining the non-common performance indicators, we noted that additional revisions and enhancements to Handbook 5.6 could benefit the IMPEP process. The evaluation of SS&D programs as written and evaluated against the criteria in Handbook 5.6 was identified as an area not conducted in a performance-based manner by survey responders. (**Note:** 26 Agreement States have regulatory authority for this area in their program). This issue was also identified in the August 27, 1998, “Assessment of Quality and Effectiveness of the IMPEP Reports and Process.” The Working Group noted that the SS&D working group’s report on the SS&D review process, dated September 2000, and proposed changes to Handbook 5.6 were completed on February 28, 2002. The Working Group reviewed the NRC Regional non-common performance indicators as detailed in Handbook 5.6 and noted that in general, they appear more prescriptive in use than those for the common performance indicators.

Recommendation 1-6 (Substantive Change): The Working Group recommends that the non-common performance indicator criteria in MD 5.6 be revised to be more consistent and performance-based.

As part of IMPEP reviews of NRC Regional programs conducted since 1994, NRC has included “Performance with Respect to Operating Plans and Resource Utilization” as a non-common performance indicator. The Working Group noted that this indicator is not identified as a non-common performance indicator in Handbook 5.6. We believe that auditing these operating plans during IMPEP reviews is redundant since NRC manages its program through the quarterly operating plans submitted by all NRC offices.

Recommendation 1-7 (Enhancement): The Working Group recommends that the “Performance with Respect to Operating Plans and Resource Utilization” non-common performance indicator for Regional IMPEP reviews be eliminated.

1.5 GUIDANCE FOR CONDUCTING IMPEP REVIEWS

The Working Group discussed a variety of comments and enhancements in the areas of reviewer guidance for individual performance indicators, IMPEP team member communications with Agreement State and NRC Regional programs, flexibility of membership of IMPEP teams and the MRB, and training for IMPEP team members. In addition, STP IMPEP project managers had a list of revisions and enhancements based on experience to date, such as MRB precedents with implementation of the Policy Statement on Compatibility and Adequacy.

One example is the experience in applying the criteria in [MD 5.6](#) for the common performance indicator, “Status of Materials Inspection Program.” When a State has a significant number of overdue inspections during the review period, a strict reading of Handbook 5.6 could lead to an “unsatisfactory” or “satisfactory with recommendations for improvement” finding. However, there have been cases where the backlog of inspections was addressed by the State and all inspections were conducted by the time of the IMPEP review. Under these circumstances, the MRB has found the program’s performance to be at a higher rating, such as “satisfactory,” taking into account the root cause and health and safety significance of, as well as program response to,

the overdue inspections. The Working Group is recommending that STP Procedure [SA-101](#), “Reviewing Common Performance Indicator #1, Status of Materials Inspection Program” be revised to reflect the experience involving completion of overdue inspections. **(Note:** This improvement is included as part of both Recommendations 1-1 and 1-2. See Appendices E and F). In programs where there are small numbers of licensees (such as less than 100), performance can be rated as “satisfactory with recommendations for improvement” with as few as 10 core inspections overdue. The criteria in MD 5.6 for this indicator may at some point require revision to address these issues.

Many survey responders noted the need for additional guidance in the review of the non-common performance indicators. Except for [SA-107](#), “Legislation and Program Elements Required for Compatibility,” there have been no internal procedures or guidance developed for the remaining non-common performance indicators. The Working Group believes that the development of guidance and procedures for these non-common performance indicators, similar to the guidance for the common performance indicators developed by STP, would enhance this area of IMPEP reviews.

Recommendation 1-8 (Substantive Change): The Working Group recommends that guidance for all non-common performance indicators be developed so that reviews can be conducted in a consistent, performance-based manner, and that States and Regions will have advanced understanding of how their programs will be reviewed.

The Working Group discussed the make-up of IMPEP teams, including the flexibility to have more than one Agreement State representative on a team. The Working Group noted that there was no restriction in the existing guidance to having more than one State team member or supplementing the team with additional expertise. The Working Group is recommending that the guidance in STP Procedure [SA-100](#) be revised to clarify the flexibility in review team makeup to include more than one State team member or other members with specialized expertise, as needed **(Note:** This improvement is included as part of Recommendation 1-2. See Appendix F).

In discussions on communications, the Working Group noted that there were several comments from survey responders on changes to preliminary findings after the review team has left the State, yet prior to the issuance of the draft report. In a recent review, a review team did not provide preliminary findings for one indicator at the close of the onsite review. Both of these issues are covered in the existing guidance. The Working Group is recommending that communications be reemphasized during the IMPEP team member training, including providing preliminary findings for all indicators and communicating changes to preliminary findings to the State/Region as soon as possible **(Note:** This improvement is included as part of Recommendation 1-1. See Appendix E). The Working Group is recommending that guidance in STP Procedure [SA-100](#) be enhanced and focused to give additional direction to IMPEP team members in dealing with the handling and communication of controversial topics, including how to deal with the timing of the reports and the MRB meetings **(Note:** This improvement is included as part of Recommendation 1-2. See Appendix F).

Based on survey responses and experience to date, the Working Group believes no changes are necessary to the 104-day IMPEP timeline, including the 30-day comment period for the draft report. The survey overwhelmingly supported the 4-year frequency for IMPEP reviews when no

performance issues have been identified. Although several responders suggested extending the frequency to 5 years, the Working Group notes that several programs have experienced programmatic changes affecting performance in the 4-year period.

The draft results of the Phase II Materials Program Review and Revision Report were discussed by the Working Group in the context of use of information technology support for the materials program and specifically for the IMPEP process. The Working Group discussed STP's proposed IMPEP toolbox for the STP homepage for the IMPEP team members. The Working Group believed that this would assist in facilitating communications to the programs under review, as a central source of information on IMPEP guidance and policy. The IMPEP toolbox has since been implemented. The posting of the Agreement State Regulation Status information on the STP homepage is another example of using advances in information technology to support the IMPEP process.

Recommendation 1-9 (Future Action): The Working Group recommends that NRC continue to seek out new ways to incorporate various information technology advances to make the IMPEP process more efficient and less of a burden on all parties involved.

The Working Group examined the results of follow-up IMPEP reviews conducted since fiscal year 1996. Seven follow-up reviews (Nebraska, New Mexico, New York City Department of Health, Kansas, North Dakota, Maryland, and Tennessee) have been conducted since IMPEP was implemented, with a range of issues unique to each review. We note that in response to the August 27, 1998, "Assessment of Quality and Effectiveness of the IMPEP Reports and Process," STP has drafted a procedure for conducting follow-up reviews. The procedure has been delayed due to higher priority work.

Recommendation 1-10 (Enhancement): The Working Group recommends that the draft STP Procedure [SA-119](#), "Follow-up IMPEP Reviews" be completed based on the experience to date and finalized to provide consistent guidance for conducting follow-up IMPEP reviews.

One comment made in the survey responses, as well as being continually remarked by IMPEP team members and team leaders, is the need for additional guidance involving IMPEP reviews of complex programs such as New York, South Carolina, California, etc. (i.e., programs with regional offices, with responsibilities split between two or more programs). The Working Group noted that a revised approach to the New York IMPEP review, which should improve efficiencies and effectiveness, is being piloted in 2002. The Working Group agreed that guidance in this area would supplement and strengthen the IMPEP process. The Working Group is recommending that STP revise the guidance for conducting reviews of complex programs, including programs with regional offices and with responsibilities divided between different organizations, based on the experience to date (**Note:** This improvement is included as part of Recommendation 1-2. See Appendix F).

The Working Group received several comments from survey responders that identified morale concerns from IMPEP team members, when the MRB disagrees with an IMPEP team's finding and directs changes to the final report. The Working Group is recommending that morale concerns, as well as roles and expectations of both the team members and the MRB, be addressed in the

IMPEP team member training (**Note:** This improvement is included as part of Recommendation 1-1. See Appendix E).

Task 2 - Utilization of Performance Data in NMED and Expansion of Review Criteria to Assess Program Initiatives

The Working Group was tasked to examine how to best utilize the performance data in NMED and reported as outcome measures, in preparing for and focusing reviews. The Working Group was also tasked with determining the extent to which the goals, measures, and metrics of the strategic plan can be used as key issues or questions to focus the review of each common and non-common performance indicator. Additionally, we were to evaluate whether IMPEP review criteria should be added or expanded to assess the outcomes of program initiatives to bring licensees into compliance with rules, license conditions, and to prevent recurrence of violations.

In reviewing this charter item, the Working Group used the survey results, MRB and Agreement State Liaison interviews, past IMPEP findings, and MRB minutes, to determine the best use of the performance data. In addition, the Working Group considered the recommendations from the Final Report of the Event Reporting Working Group dated April 2001, and the Staff Requirements Memorandum on SECY 01-0105, dated July 2, 2001, in which the Commission approved a staff recommendation to maintain the current single set of national materials program goals, measures, and metrics. Based on these reviews, the Working Group agrees with the conclusion from SECY 01-105 that it would be inappropriate to have subsets of the national materials program goals, measures, and metrics by individual Agreement States or NRC Regional programs for measuring an individual program's performance. The national materials program goals, measures, and metrics are a valid measure of the performance of a national materials program, but are inadequate to measure an individual program's performance because the metrics are based on a statistical analysis of national performance. Rather, it is the IMPEP process, itself, that is the tool that should be used to measure an individual program's performance.

The Working Group reviewed present IMPEP practices and procedures and noted that the IMPEP process uses NMED data in several ways to provide a continuous monitoring of an individual program's performance. NMED data are routinely reviewed by NMSS and STP staff to determine which events may warrant follow-up consideration or identify adverse trends. Presently, STP project managers assist IMPEP teams by preparing data "sorts" for the Agreement State reviews. Similar "sorts" are conducted for NRC regional reviews. The information retrieved from NMED includes identification of licensees with recurring problems (potentially bad performers), as well as generic issues involving specific licensee categories, types of equipment, and common root causes. This information aids review teams by helping select inspection reports, licensing cases, and event responses to review. The Working Group noted that use of NMED data for IMPEP reviews is referenced in STP Procedure [SA-105](#), which directs IMPEP reviewers to review NMED data in preparation for an IMPEP review. Also, STP Procedure [SA-116](#), "Periodic Meetings with Agreement State Between IMPEP Reviews" features NMED reporting, including event follow-up and closure information.

Although NMED data are used in the IMPEP process, the Working Group did note a weakness. For the current use of NMED data to be effective, event reports must be timely. The timely input of event data is addressed in the common performance indicator, Response to Incidents and

Allegations. Under the existing Policy Statement for Adequacy and Compatibility and associated implementing procedures, under the program element, "Exchange of Information," event reporting is necessary for effective regulation of Agreement material on a national basis. The Commission directed these reports to be mandatory in 1997. Based on previous poor timeliness of event reporting, IMPEP teams have been instructed to closely scrutinize this common performance indicator to determine timeliness and to emphasize that a failure to comply with this provision can serve as a basis alone for a finding of "not compatible." It was noted that during IMPEP team member training, the use of NMED data has continually been emphasized. The Working Group discussed the need to revise both the existing procedures and reemphasize the use of NMED data in the IMPEP process.

Recommendation 2-1 (Enhancement): The Working Group recommends that existing STP Procedures, especially [SA-105](#), "Reviewing Common Performance Indicator #5, Response to Incidents and Allegations," be revised to include the existing practice and experience for using NMED data. Use of NMED and the need for timely reporting of event information should continue to be emphasized during IMPEP training.

The second part of this task was for the Working Group to evaluate whether IMPEP review criteria should be added or expanded to assess outcomes of program initiatives. The Working Group reviewed the role of self-audits. Some of the Agreement States acknowledged the value of a self-audit based on the IMPEP Working Group survey. However, the Working Group did not support a self-audit program as a necessary element for adequacy or compatibility determinations for Agreement States. The Working Group concluded that a new IMPEP common performance indicator for self-audits was not appropriate. However, as noted in the discussion on Task 3, the Working Group does support the use of self-audits as part of the periodic meeting process.

The Working Group also discussed, as part of program initiatives, actions taken by a program to bring licensees into compliance with rules and license conditions, and to prevent recurrence of violations. The Working Group again reached the conclusion that it was not necessary to add or expand the IMPEP review criteria to include such initiatives. We noted though, that IMPEP does identify "Good Practices" which have included program initiatives by State and Regional programs to bring licensees into compliance with rules and license conditions, and to prevent recurrence of violations. The Working Group supports STP periodic publication and transmission of this information to all materials programs.

Task 3 - Effectiveness of Between-IMPEP Interactions

In response to the survey, 26 responders found periodic meetings a valuable interaction between Agreement States and NRC; four did not find value in these meetings and 25 did not offer an opinion. In addition, the Working Group examined a comparison of periodic meeting summaries versus results of IMPEP reviews.

The Working Group noted that, as originally established, the periodic meetings were meant to be interactive meetings, mostly limited to the discussion of NRC and Agreement State program changes. In that respect, the meetings have served their purpose and are indeed valuable. The meetings, however, did not always reveal when programs were experiencing degradation. The

Working Group noted the need for more aggressive between-IMPEP interactions that can better identify and respond to programmatic deficiencies.

The Working Group discussed the use of self-audits as a possible mechanism to supplement the periodic meeting process. As noted in the discussion on Task 2, the Working Group did not support the inclusion of self-audits as a common or non-common indicator in the IMPEP process. However, the Working Group believes that self-audits have value.

The Working Group discussed the proposals that NMSS is developing for between-IMPEP review interactions for Regional reviews, including self-audits. The NRC Regions are developing a self audit program using portions of the IMPEP performance indicators. The existing STP procedure on Periodic Meetings features guidance to discuss the results of any self audits conducted by the State, however the Working Group does not believe that this process is sufficient to truly understand the status of a program. In addition, it was decided that sending the State the latest version of its IMPEP questionnaire and having it update it for each periodic meeting would reduce the State's burden preparing for IMPEP reviews and simplify NRC's task to stay up-to-date with the status of the national materials program.

Recommendation 3-1 (Substantive Change): The Working Group recommends that significant changes to the periodic meeting process be made to focus the meetings on becoming a more effective tool for determining continuing performance in the Agreement States. These changes should include:

- a. The use of self-audits with appropriate flexibility for the size of the program;
- b. In preparation for the periodic meetings, the State should be sent a copy of their questionnaire from the previous IMPEP review (possibly a simplified version) to update; and
- c. Continue to pilot the use of MRB meetings, to provide updates on periodic meeting results to ensure that State and NRC management are informed of program issues outside the IMPEP cycle.

The Working Group also noted that any changes to information gathering, such as requiring self-audits or updating questionnaires, will be an additional burden on the Agreement States and will require a revision to the OMB clearance for the Agreement State program.

The Working Group reviewed STP Procedure SA-116, "Periodic Meetings with Agreement States Between IMPEP Reviews," and noted that many of the enhancements offered by the survey responders are already covered by the existing procedure. There appears to be some uncertainty as to the role of the Agreement State Project Officer (ASPO), Office of State and Tribal Programs, and the Regional State Agreement Officer (RSAO).

Recommendation 3-2 (Enhancement): The Working Group recommends that STP provide training to the RSAOs and ASPOs on respective duties and responsibilities, including uniformity of periodic meetings, RSAO/ASPO interactions and communication between IMPEP reviews.

Task 4 - Areas for Specific Examination During IMPEP

The Working Group reviewed and discussed survey responses and existing procedures on selecting complex or unusual licensing issues (clearance, potentials for significant release, waste processors, emerging technology, significant manufacturers, nuclear laundries, etc.). The existing procedures do recommend that complex licenses should be selected, but we believe additional clarification and direction could enhance IMPEP reviews. We noted that, given the 4-year frequency for IMPEP reviews, NRC needs to take the opportunity, during the IMPEP reviews, to examine complex and unusual issues.

Recommendation 4-1 (Enhancement): The Working Group recommends that the guidance for IMPEP reviewers on the selection of casework be revised to include complex or unusual licensing issues, such as release of solid material, potentials for significant release, waste processors, emerging technology, significant manufacturers, and nuclear laundries.

The Working Group notes that IMPEP teams need to be structured to ensure that the appropriate expertise is used for complex or unusual types of licensing issues. NRC's emphasis on these types of issues should be clearly communicated to the States during the revision to the STP procedures, which are transmitted to Agreement States and Regions for their review and comments before implementation.

Task 5 - Voting Rights for the Agreement State Liaison to the MRB

Survey responses indicated that 41 of 55 stakeholders supported voting privileges by the Agreement State Liaison. The issue of an Agreement State Liaison's voting privilege was originally addressed in SECY-95-047, "Staff Analysis and Recommendations on the Integrated Materials Performance Evaluation Program," as follows:

With respect to the MRB, full membership and voting privileges by an Agreement State representative would appear to require compliance with Federal Advisory Committee Act (FACA) requirements. That is, it would not fall within the "operational committee" exemption identified in SECY-94-264. To ensure that the MRB has access to the Agreement State perspective on any future reviews of individual Agreement States or NRC regional programs, the staff recommends instead that an Agreement State Liaison to the MRB be established. The Liaison would be designated by the Organization of Agreement States. The Liaison would attend each meeting of the MRB and in preparation for the meeting would be provided with the same documentary material submitted to the individual members of the MRB. Although the Liaison would not be a member of the MRB and would not vote on matters before the MRB, the Liaison would participate in the MRB discussions of the program under review, including being able to question the Review Team. The Liaison could also offer his or her opinion on the matters under review.

On July 12, 2001, the Working Group requested the Office of General Counsel's (OGC's) review of current information to determine if there had been a change that would allow Agreement State Liaisons full membership and voting privileges. On September 21, 2001, the NRC's OGC responded that there has not been any change in FACA that would impact the original

determination in SECY-95-047 and that there was no legal basis to allow Agreement State Liaisons this privilege.

The Working Group noted, through survey responses and discussions with MRB members and Agreement State Liaisons, that the Liaisons have not been hindered by the lack of a vote during MRB deliberations. As MRB meetings are presently conducted, the perspectives, concerns, and issues brought by the Agreement State Liaisons have been fully addressed.

If there are any changes in the legal basis for this decision, due to changes in either FACA or from the implementation of recommendations of the National Materials Program Working Group, the Working Group believes that this issue should be reconsidered.

Recommendation 5-1 (Future Action): The Working Group recommends that the issue of whether the Agreement State Liaison to the MRB could be a voting member be reconsidered if there are changes in either FACA or from the implementation of recommendations of the National Materials Program Working Group.

In response to the survey, most responders indicated that the MRB make-up was effective. The Working Group noted that STP Procedure SA-106, "Management Review Board," already includes the flexibility to request additional MRB members from other NRC offices, as appropriate. However, the inclusion of additional Agreement State Liaisons is not addressed in the procedure.

Recommendation 5-2 (Enhancement): The Working Group recommends that guidance in STP Procedure SA-106 be revised to include that additional Agreement State Liaisons may take part in MRB meetings, as needed, for backup as well as for broader representation on a particular MRB.

The Working Group discussed the continuing excellent support from the Agreement State program managers for the MRB. The issue of management turnover occurring in the Agreement States and the availability of OAS to recruit future Agreement State Liaisons was discussed (four of the nine Agreement State Liaisons have retired, one has changed jobs). The Working Group supports comments from the Agreement State Liaisons that a version of the IMPEP orientation/training for potential Agreement State Liaisons should be developed and presented at a future OAS meeting, to ensure a complete understanding of the IMPEP process and what is expected of MRB members.

Recommendation 5-3 (Future Action): The Working Group recommends that STP develop IMPEP orientation/training for potential Agreement State Liaisons and that NRC periodically present this information at annual OAS meetings.

Ranking the Substantive Changes

The Working Group was also tasked with evaluating and prioritizing each of the substantive changes recommended in the context of the four NRC performance goals. The final summary rankings are listed below. The detailed rankings of each substantive change against the individual NRC performance goals can be found in Appendix D.

SUBSTANTIVE CHANGES	RANKING
Recommendation 1-6: Revise non-common indicator criteria	HIGH I
Recommendation 3-1: Make substantial changes to the periodic meeting process	HIGH II
Recommendation 1-8: Develop guidance for the remaining non-common performance indicators	MEDIUM
Recommendation 1-3: Expand the IMPEP process to include all licensing and inspection functions carried out by NRC Headquarter staff	LOW

Table: Evaluation and priority designation of each of the substantive changes recommended in the context of the four NRC performance goals.

CONCLUSIONS

Through discussions and analysis of information, the Working Group reached several major conclusions involving IMPEP. The first, and possibly most important, is that the IMPEP process is successfully functioning as designed. Forty survey responders had an overall positive impression of the program, and all the MRB members noted that the program needed only minor revisions as opposed to major changes. The program has served both NRC and the Agreement States well. Having an Agreement State member on each review team not only gives each team the benefit of his/her experience and perspective, but also gives each State team member the opportunity to learn about another State program. The result has strengthened the national materials program and led to increased cooperation between NRC and the Agreement States.

A second conclusion is that IMPEP has been effective in identifying program areas needing improvement and aiding programs in promptly addressing review findings. Programs such as New Mexico, Nebraska, and Kansas have shown impressive improvement after being found “adequate, but needs improvement.” Heightened Oversight was developed as a mechanism to focus on necessary improvements when degradation in program performance is identified. The flexibility of the process allows such oversight methods as routine teleconferences and progress reports, as well as the use of follow-up reviews and adjustments to the frequency of full IMPEP reviews. Heightened Oversight has been effective in helping programs promptly address areas needing improvement.

The Working Group concluded that IMPEP has been a dynamic and evolving program that constantly utilizes the experience to date. Examples include adjusting the frequency of NRC Regional reviews from every 2 years to every 4 years, development of the Heightened Oversight process, and the ongoing initiative to move toward performing more performance-based reviews. IMPEP reviewers’ commitment to performance is reflected in the 31 survey responders who expressed their belief that the indicators are used in a performance-based manner.

The Working Group also concluded that although the IMPEP process has been successful, the process can be enhanced in a number of ways. The Working Group identified three separate types of possible improvements to IMPEP: substantive changes, enhancements, and items for future action. Substantive changes are improvements to IMPEP that will require significant changes to NRC policy or the IMPEP process in order to implement. The Working Group believes that these changes are worth the necessary resources as they will greatly strengthen the IMPEP process. Enhancements and items for future action primarily involve enhancing the current IMPEP training and procedures to further emphasize such elements as performance based reviews, use of NMED data, and focusing reviews on inspections or licensing actions that are more complex or have a higher risk. Implementation of these improvements should strengthen the IMPEP process.

APPENDIX A - CHARTER FOR THE NRC/AGREEMENT WORKING GROUP ON IMPEP LESSONS LEARNED

PURPOSE

On completion of the first cycle of IMPEP reviews for the Agreement States, a Working Group consisting of representatives from the Nuclear Regulatory Commission (NRC) and the Agreement States will evaluate Integrated Materials Performance Evaluation Program (IMPEP) experiences for additional enhancements and lessons learned to strengthen the IMPEP process.

BACKGROUND

In FY 1996, NRC began implementation of IMPEP in the evaluation of Agreement State and Regional materials programs to assure that public health and safety are adequately protected from the hazards associated with the use of radioactive materials and that Agreement State programs are compatible with NRC's programs. The IMPEP process employs a team of NRC and Agreement State staff to assess both Agreement State and NRC Regional Office radioactive materials licensing and inspection programs. All reviews use common criteria in the assessment and place primary emphasis on performance. Additional areas have been identified as non-common performance indicators and are also addressed in the assessment. The final determination of adequacy of each NRC Regional Office and both adequacy and compatibility of each Agreement State program, based on the review team's report, is made by a Management Review Board (MRB) composed of NRC managers and an Agreement State program manager who serves as the Agreement State Liaison to the MRB.

At the end of FY1999, NRC completed its first round of IMPEP reviews for all Agreement States. Regional reviews originally were performed every 2 years and are now performed every 4 years. Agreement State reviews occur at frequencies of 2-4 years. From its inception, IMPEP has been an iterative process. As the program progressed from the pilot, through interim implementation to final implementation, NRC staff has factored in experience, comments and suggestions to enhance IMPEP. At the completion of this first cycle of reviews, NRC management believes that an independent examination by a Working Group of the IMPEP experiences to date could further enhance this program.

SCOPE OF WORK

The NRC/Agreement State Working Group will examine the IMPEP process as conducted from FY1996 through the present and identify issues or enhancements to improve the process.

TASKS

In examining the IMPEP process, the Working Group should address the following tasks. Each substantive Working Group recommendation should be evaluated and prioritized in the context of the four NRC performance goals¹.

1. Evaluate the program's performance for additional enhancements, including whether the set of IMPEP elements is complete and sufficiently focused, whether changes are needed in the indicator criteria, and whether there are any patterns or issues identified from MRB review, discussions during MRB meetings or changes to draft IMPEP reports that should be addressed (e.g., Whether the reviews and reports can be enhanced to better address the technical quality of inspections. Whether additional inspection accompaniments may be desirable when significant areas of improvement are identified in a region or state inspection program.)
2. Examine how to best utilize the performance data in NMED and reported as outcome measures, in preparing for and focusing reviews, and the extent to which the goals, measures, and metrics of the strategic plan can be used as key issues or questions to focus the review of each common and non-common performance indicator. Additionally, evaluate whether IMPEP review criteria should be added or expanded to assess the outcome of program initiatives to bring licensees into compliance with rules, license conditions, and to prevent recurrence.
3. Examine the effectiveness of between-IMPEP interactions, such as the value of periodic meetings, the need for any modifications to the periodic meeting process, and the effectiveness/use of structured program self-assessments between IMPEP reviews.
4. Identify areas that should be considered for specific examination during IMPEP reviews, based on the review experience to date, such as the handling of complex or controversial licensing actions.
5. Reevaluate making the OAS Agreement State Liaison to the Management Review Board (MRB) a voting member of the MRB.

The Working Group collectively will be responsible for developing a final charter, establishing a work plan, monitoring progress, and preparing drafts of minutes and other products.

REPORT TIME FRAME

Complete and file report to the Deputy Executive Director for Materials, Research and State Programs by October 8, 2001.

¹ NRC Performance goals (NUREG-1614, Vol. 2, Part 2, *U.S. NRC FY2000-2005 Strategic Plan*):

1. Maintain safety, protection of the environment, and the common defense and security.
2. Increase public confidence.
3. Make NRC activities and decisions more effective, efficient, and realistic.
4. Reduce unnecessary regulatory burden on stakeholders.

WORKING GROUP ORGANIZATION AND OPERATIONS

Initially the following personnel will be on the Working Group.

NRC Personnel:

Kathleen Schneider, STP, Co-Chair
Charles Cox, NMSS
Lance Rakovan, STP

Agreement State Personnel:

William Silva, TX, Co-Chair
Terry Frazee, WA

Resource Representatives:

James Lynch, Region III
George Deegan, NMSS

Logistical and travel support for Working Group meetings, including travel and per diem expenses for Agreement State members, will be provided by NRC.

Interactions with the National Materials Program Steering Committee should take place as necessary.

Working Group meetings are not subject to the requirements of the Federal Advisory Committee Act (FACA) but they will be announced in advance through the NRC Public Meeting Announcement System. Maximum use will be made of other appropriate media for facilitating interaction with the Working Group, e.g., conference calls, facsimiles, and electronic mail. Working Group meetings will be open to the public and will be held in the Washington, DC area or other locations as agreed upon by the Working Group members. Other persons attending Working Group meetings will be welcome to provide comments to the Working Group for its consideration in either written form or orally at times specified by the Working Group chairs. Meeting minutes and draft and final documents produced by the Working Group will be publicly available from the NRC electronic Public Document Room.

APPENDIX B - MEMBERS OF THE IMPEP LESSONS LEARNED WORKING GROUP AND NATIONAL MATERIALS PROGRAM STEERING COMMITTEE

Working Group on IMPEP Lessons Learned

Members:

Charles Cox	NRC Office of Nuclear Material Safety and Safeguards
Terry Frazee	Washington Department of Health
Lance Rakovan	NRC Office of State and Tribal Programs
Kathleen Schneider ¹	NRC Office of State and Tribal Programs
William Silva ²	Texas Department of Health

Resource Representatives:

George Deegan	NRC Office of Nuclear Material Safety and Safeguards
James Lynch	NRC Region III

National Materials Program Steering Committee

Members:

Edgar Bailey	Organization of Agreement States, California
Douglas Collins	NRC Region II
Donald Cool	NRC Office of Nuclear Material Safety and Safeguards
Jesse Funches	NRC Chief Financial Officer
Joseph Gray	NRC Office of the General Counsel
Robert Hallisey	Conference of Radiation Control Program Directors, Massachusetts
Paul Lohaus	NRC Office of State and Tribal Programs
Carl Paperiello ³	NRC Office of the Executive Director for Operations
Cynthia Pederson	NRC Region III
Martin Virgilio	NRC Office of Nuclear Material Safety and Safeguards

¹Co-Chair, NRC

²Co-Chair, Organization of Agreement States

³Chair

APPENDIX C - WORKING GROUP RECOMMENDATIONS BY CATEGORY

SUBSTANTIVE CHANGES:

Recommendation 1-3: The Working Group recommends that consideration be given to expanding the IMPEP process to include all licensing and inspection functions carried out by NRC Headquarters staff (such as SS&D evaluation, general/exempt licensing, fuel cycle, etc.).

Recommendation 1-6: The Working Group recommends that the non-common performance indicator criteria in Management Directive 5.6 be revised to be more consistent and performance-based.

Recommendation 1-8: The Working Group recommends that guidance for all non-common performance indicators be developed so that reviews can be conducted in a consistent, performance-based manner, and that States and Regions will have advanced understanding of how their programs will be reviewed.

Recommendation 3-1: The Working Group recommends that significant changes to the periodic meeting process be made to focus the meetings on becoming a more effective tool for determining continuing performance in the Agreement States. These changes should include:

- a. The use of self-audits with appropriate flexibility for the size of the program;
- b. In preparation for the periodic meetings, the State should be sent a copy of their questionnaire from the previous IMPEP review (possibly a simplified version) to update; and
- c. Continue to pilot the use of MRB meetings, to provide updates on periodic meeting results to ensure that State and NRC management are informed of program issues outside the IMPEP cycle.

ENHANCEMENTS:

Recommendation 1-1: The Working Group recommends that IMPEP team member training should address the recommended enhancements, as noted in Appendix E.

Recommendation 1-2: The Working Group recommends that existing STP procedures be revised to address the recommended enhancements, as noted in Appendix F.

Recommendation 1-4: The Working Group recommends that all IMPEP questionnaires and periodic meeting summaries be clearly identified and posted on the STP web page.

Recommendation 1-7: The Working Group recommends that the “Performance with Respect to Operating Plans and Resource Utilization” non-common performance indicator for Regional IMPEP reviews be eliminated.

Recommendation 1-10: The Working Group recommends that the draft STP Procedure SA-119, “Follow-up IMPEP Reviews” be completed based on the experience to date and finalized to provide consistent guidance for conducting follow-up IMPEP reviews.

Recommendation 2-1: The Working Group recommends that existing STP Procedures, especially SA-105, "Reviewing Common Performance Indicator #5, Response to Incidents and Allegations," be revised to include the existing practice and experience for using NMED data. Use of NMED and the need for timely reporting of event information should continue to be emphasized during IMPEP training.

Recommendation 3-2: The Working Group recommends that STP provide training to the RSAOs and ASPOs on respective duties and responsibilities, including uniformity of periodic meetings, RSAO/ASPO interactions and communication between IMPEP reviews.

Recommendation 4-1: The Working Group recommends that the guidance for IMPEP reviewers on the selection of casework be revised to include complex or unusual licensing issues, such as release of solid material, potentials for significant release, waste processors, emerging technology, significant manufacturers, and nuclear laundries.

Recommendation 5-2: The Working Group recommends that guidance in STP Procedure SA-106 be revised to include that additional Agreement State Liaisons may take part in MRB meetings, as needed, for backup as well as for broader representation on a particular MRB.

ITEMS FOR FUTURE ACTION:

Recommendation 1-5: The Working Group recommends that the following clarifications be made to Handbook 5.6:

- a. "Satisfactory with Recommendations for Improvement" should be renamed "Satisfactory, But Needs Improvement."
- b. "Response to Incidents and Allegations" should be renamed "Technical Quality of Incident and Allegation Activities."
- c. "Legislation and Program Elements Required for Compatibility" should be renamed "Compatibility Requirements."

Recommendation 1-9: The Working Group recommends that NRC continue to seek out new ways to incorporate various information technology advances to make the IMPEP process more efficient and less of a burden on all parties involved.

Recommendation 5-1: The Working Group recommends that the issue of whether the Agreement State Liaison to the MRB could be a voting member be reconsidered if there are changes in either FACA or from the implementation of recommendations of the National Materials Program Working Group.

Recommendation 5-3: The Working Group recommends that STP develop IMPEP orientation/training for potential Agreement State Liaisons and that NRC periodically present this information at annual OAS meetings.

APPENDIX D - RANKINGS FOR WORKING GROUP SUBSTANTIVE CHANGES

	RANKING	Maintain safety, protection of the environment, and the common defense and security	Increase public confidence	Make NRC activities and decisions more effective, efficient, and realistic	Reduce unnecessary regulatory burden
Recommendation 1-6: Revise non-common indicator criteria	HIGH I	HIGH	MEDIUM	HIGH	HIGH
Recommendation 3-1: Make substantial changes to the periodic meeting process	HIGH II	HIGH	HIGH	HIGH	LOW
Recommendation 1-8: Develop guidance for the remaining non-common performance indicators	MEDIUM	MEDIUM	LOW	HIGH	MEDIUM
Recommendation 1-3: Expand the IMPEP process to include all licensing and inspection functions carried out by NRC headquarter staff	LOW	LOW	HIGH	MEDIUM	LOW

APPENDIX E - SUMMARY OF SPECIFIC RECOMMENDATIONS INVOLVING IMPEP TRAINING

The following recommendations are included as part of **Recommendation 1-1**:

Recommendations discussed in the body of the report:

1. The Working Group is recommending that the need for recommendations to be performance-based, as well as the need to minimize recommendations when an indicator is found fully satisfactory, be reemphasized at the IMPEP team member training.
2. The Working Group is recommending that additional guidance be developed and additional training be given to assure that reviewers select the more significant actions undertaken from a risk standpoint.
3. The Working Group is recommending that communications be reemphasized during the IMPEP team member training, including providing preliminary findings for all indicators and communicating changes to preliminary findings to the State/Region as soon as possible.
4. The Working Group is recommending that morale concerns as well as roles and expectations of both the team members and the MRB be addressed in the IMPEP team members training.

Recommendations that are supported by the Working Group but are not discussed in the body of the report:

5. The Working Group is recommending that a discussion on radiography certification programs, general licensing programs, and other licensing initiatives should be highlighted during the IMPEP team member training to ensure that team members are focusing on any issues connected with these programs during reviews.
6. The Working Group is recommending that the IMPEP team member training include travel policies and restrictions of different NRC offices and States for IMPEP team members.
7. The Working Group is recommending that proper management of time be covered in the IMPEP team member training, including that IMPEP reviews can be extended to properly deal with unexpected deficiencies or difficulties.
8. The Working Group is recommending that the issue of performance versus guidance on the number of reviewed casework be discussed during the IMPEP team member training. In review of casework conducted during IMPEP reviews, there were several instances where team members exceeded the recommended number of files and there had been no performance issues identified to warrant such a large number of cases.

The following recommendations also deal with training:

Recommendation 3-2: The Working Group recommends that STP provide training to the RSAOs and ASPOs on respective duties and responsibilities, including uniformity of periodic meetings, RSAO/ASPO interactions and communication between IMPEP reviews.

Recommendation 5-3: The Working Group recommends that STP develop IMPEP orientation/training for potential Agreement State Liaisons and that NRC periodically present this information at annual OAS meetings.

APPENDIX F - SUMMARY OF SPECIFIC RECOMMENDATIONS INVOLVING IMPEP GUIDANCE

The following recommendations are included as part of **Recommendation 1-2**:

Recommendations discussed in the body of the report:

1. The Working Group is recommending that additional guidance be developed and additional training be given to assure that reviewers select the more significant actions undertaken from a risk standpoint.
2. The Working Group is recommending that the guidance in STP Procedure [SA-100](#) be revised to clarify the flexibility in review team makeup to include more than one State team member or other members with specialized expertise as needed.
3. The Working Group is recommending that guidance in STP Procedure [SA-100](#) be enhanced and focused to give additional direction to IMPEP team members in dealing with the handling and communication of controversial topics, including how to deal with the timing of the reports and the MRB meetings.
4. The Working Group is recommending that STP Procedure [SA-101](#), "Reviewing Common Performance Indicator #1, Status of Materials Inspection Program" be revised to reflect the experience involving completion of overdue inspections.
5. The Working Group is recommending that STP revise the guidance for conducting reviews of complex programs including programs with regional offices and with responsibilities divided between different organizations based on the experience to date.

Recommendations that are supported by the Working Group but are not discussed in the body of the report:

6. The Working Group is recommending that STP Procedure [SA-102](#), "Reviewing Common Performance Indicator #2, Technical Quality of Inspections," be revised to include the following guidance:
 - As enforcement actions are implicit as a tool to support inspection programs, additional guidance should be included under the indicator for Technical Quality of Inspections on incorporation of enforcement actions.
 - Based on the comments from the survey, guidance for IMPEP reviewers should be clarified to ensure that provide feedback is provided during inspector accompaniments to both the inspector and the State/Regional program management.
7. The Working Group is recommending that STP Procedure [SA-104](#), "Reviewing Common Performance Indicator #4, Technical Quality of Licensing Actions," be

revised to include guidance on the review of recent programmatic changes such as radiography certification programs, general licensing programs, and other licensing initiatives conducted by the States and Regions.

8. The Working Group is recommending that STP Procedures SA-102, "Reviewing Common Performance Indicator #2, Technical Quality of Inspections" and SA-104, "Reviewing Common Performance Indicator #4, Technical Quality of Licensing Actions," be revised to include guidance on review of Agreement States activities involving sites formerly licensed by NRC. These activities are conducted in accordance with the grant program described in STP Procedures SA-1000, "Implementation of the Grant Program for Funding Assistance for Formerly Licensed Sites in Agreement States."
9. The Working Group is recommending that STP Procedure SA-107, "Legislation and Program Elements Required for Compatibility," be revised to include additional guidance based on the experience/MRB precedents to date on the implementation of the 1997 Policy Statement on Compatibility and Adequacy and the significance of regulations that have not been adopted.

The following recommendations also deal with IMPEP guidance:

Recommendation 1-8: The Working Group recommends that guidance for all non-common performance indicators be developed so that reviews can be conducted in a consistent, performance-based manner, and that States and Regions will have advanced understanding of how their programs will be reviewed.

Recommendation 1-10: The Working Group recommends that the draft STP Procedure SA-119, "Follow-up IMPEP Reviews" be completed based on the experience to date and finalized to provide consistent guidance for conducting follow-up IMPEP reviews.

Recommendation 2-1: The Working Group recommends that existing STP Procedures, especially SA-105, "Reviewing Common Performance Indicator #5, Response to Incidents and Allegations," be revised to include the existing practice and experience for using NMED data. Use of NMED and the need for timely reporting of event information should continue to be emphasized during IMPEP training.

Recommendation 4-1: The Working Group recommends that the guidance for IMPEP reviewers on the selection of casework be revised to include complex or unusual licensing issues, such as release of solid material, potentials for significant release, waste processors, emerging technology, significant manufacturers, and nuclear laundries.

Recommendation 5-2: The Working Group recommends that guidance in STP Procedure SA-106 be revised to include that additional Agreement State Liaisons may take part in MRB meetings, as needed, for backup as well as for broader representation on a particular MRB.

APPENDIX G - SUMMARY OF SURVEY RESPONSES FROM AGREEMENT STATES AND NRC

STAKEHOLDERS SAMPLED

In an attempt to get a sampling of replies from different stakeholders, the IMPEP survey was sent to three different groups:

- (1) NRC managers of programs that have been reviewed under the IMPEP process (4 NRC Regional Offices and the NRC SS&D program);
- (2) NRC staff that have participated on IMPEP review teams (53); and
- (3) Managers of current and proposed Agreement State programs (39).

Agreement State managers were asked to share the survey with staff that have participated on IMPEP review teams (30). Surveys were sent to a total of 127 stakeholders. The IMPEP Working Group Survey was sent to NRC management and team members on June 11, 2001 and to Agreement State management on June 14, 2001. Responses were accepted until August 6, 2001.

SURVEY REPLIES

The working group received complete or partial replies from 25 NRC and 30 Agreement State stakeholders. The greater proportion of NRC replies were from IMPEP team members and the greater proportion of Agreement State replies were from program management.

The working group attempted to summarize all of the survey replies two meaningful ways. First, data were tallied where trends were obvious. Most of these tallies feature either a positive or negative interpretation of each individual reply. The category "Indeterminate answer or no response" was used if the reply did not directly address the question or if it was left blank. These trends are included for all questions except for question number one which is more open-ended.

Also included in this appendix are edited versions of comments made by responders under "Suggestions and Opportunities for Improvement." The working group summarized the survey replies and removed any references revealing the responder's identity. In summarizing the comments, the working group included only the suggestions and areas of improvement provided in the replies. Replies that discussed the positive aspects of the program were discussed during working group meetings, but are not included here as the purpose of this working group is to determine how the IMPEP process can be improved. Also, please note that the replies were broken down into specific points. In other words, if a single responder made several distinct points in their response to a question, those points may be listed as individual suggestions or opportunities for improvement.

IMPEP Working Group Survey

On completion of the first cycle of IMPEP reviews, a working group, consisting of NRC and Agreement State members, has been organized to review the IMPEP program for additional enhancements and lessons learned in order to strengthen the overall process. The following questions are directed to Agreement State program directors and NRC Regional office Division Directors to help the working group determine how the IMPEP process may be improved. We also would like current and past IMPEP team members to answer the questions from their point of view as team members. Please fully explain your responses. Thank you for your time.

STATE or REGION _____

CONTACT NAME _____

TELEPHONE _____ E-MAIL _____

1. Describe your overall impression of the IMPEP program, including any strengths or weaknesses.
2. How could the pre-review process, including the IMPEP questionnaire, be improved?
3. Is the length of current on-site IMPEP reviews (approximately 1 week plus accompaniments) appropriate? If not, how should it be altered?
4. IMPEP uses five “common” performance indicators: Status of Materials Inspection Program; Technical Quality of Inspections; Technical Staffing and Training; Technical Quality of Licensing Actions; and Response to Incidents and Allegations. Should any of these indicators be altered or deleted? Are there any other indicators that should be added?
5. IMPEP uses six “non-common” performance indicators: Legislation and Program Elements Required for Compatibility; Sealed Source and Device Evaluation Program; Low-Level Radioactive Waste Disposal Program; Uranium Recovery Program; Regional Fuel Cycle Inspection Program; and Site Decommissioning

Management Plan (SDMP). Should any of these indicators be altered or deleted? Are there any other indicators that should be added?

6. Are the performance indicators used in a performance-based manner, when appropriate?
7. Are IMPEP review team communications to State/Regional management adequate during reviews and at the appropriate management level?
8. IMPEP teams typically have one Agreement State member. Is this adequate representation? If not, is your program willing to provide additional staff for the teams (States only)?
9. Typical IMPEP review frequency is four years. Is this frequency appropriate? If not, is your program willing to provide additional staff for more frequent reviews?
10. The Management Review Board (MRB) is made up of several senior NRC managers and one Agreement State senior manager. Is this makeup effective?
11. Should the Agreement State member of the Management Review Board be a voting member?
12. Is the current IMPEP timeline, including the amount of time allotted for State/Region feedback on the draft report and issuance of the final IMPEP report within 104 days of the on-site review, adequate?
13. Are Periodic Meetings valuable? If not, what other method could be used to evaluate programs between IMPEP reviews? How do you propose we pay the cost of other methods?

ADDITIONAL QUESTIONS FOR IMPEP TEAM MEMBERS

1. Is training adequate for IMPEP team members? Do you feel that you have sufficient resources and assistance to participate on IMPEP teams?

2. Did anything impede your effectiveness as an IMPEP team member? If so, how could these issues be resolved?

SURVEY SUMMARY

1. Describe your overall impression of the IMPEP program, including any strengths or weaknesses.

Trends:

NRC	STATE	
<u>20</u>	<u>20</u>	Overall impression is positive
<u>0</u>	<u>3</u>	Overall impression is negative
<u>5</u>	<u>7</u>	Indeterminate answer or no response

Suggestions and Opportunities for Improvement:

NRC

1. Not enough time to get ready for a review – too much everyday work intrudes in the time we need to get ready for an IMPEP.
2. Presumption on reviews seems to be that the threshold for making a finding or recommendation is very high, and the burden of proof is on the reviewer.
3. Some findings appear to be too high when they should not be satisfactory. MRBs tend to give the States the benefit of the doubt.
4. The program is most useful in evaluating the administrative issues and is perhaps less useful in assessing the technical ability and quality of the inspectors/reviewers.
5. The results of findings appear to get watered down during the team leader/management review phase. Perhaps this is necessary in light of good relations with the states.
6. Costs much time and money both for the evaluation team and the State being evaluated. There may be means to lower the costs of evaluation.
7. Material licensing (exempt distribution), decommissioning, and uranium recovery activities are reviewed at the State level, but should also be reviewed in NMSS.
8. Perhaps STP should be responsible for coordinating the NRC Regional reviews including providing experienced Team Leaders.
9. There should be more accompaniment of State personnel in their activities and less review of records. Some records could be reviewed before the on-site review.
10. The current system is impacted too heavily by who performs the reviews. Improving consistency and minimizing differences between reviewers, could be enhanced.
11. IMPEP team results are still highly dependent on the tenacity of the individual reviewers.
12. The program would have more meaning and real impact if reviewer findings and recommendations could be better “enforced” on the IMPEP’d program.
13. Too many time constraints placed on reviews.

14. The periodic meeting process as currently implemented is not fully effective in identifying negative performance trends before the conduct of an IMPEP review.
15. The periodic meetings procedure should be reviewed to identify a more effective mechanism of evaluating the performance of the state.
16. "Satisfactory with Recommendations for Improvement" should be changed to "Satisfactory with Areas Needing Improvement."
17. More staff is needed to adequately review all of the sub-indicators for several of the non-common performance indicators.
18. There seems to be an unstated goal for the team not to find any problems. This puts a team member into a very difficult position if he finds deficiencies in the program.
19. Conducting mini-reviews between IMPEP reviews would provide better feedback to the States/Regions in addressing problem areas before they became major issues.
20. The MD 5.6 needs updating to include the new guidance for SS&D reviews
21. The common indicators should be arranged as follows: Technical Staffing and Training; Technical Quality of Licensing Actions; Status of Materials Inspection Program, Technical Quality of Inspections, and Response to Incidents and Allegations.
22. All of the SA-procedures needed for IMPEP need to be updated on an annual basis.
23. We need to reengineer the questionnaire and design it to obtain only the information needed to evaluate the specific indicator(s).
24. Assigning inspector accompaniments to a State team members could potentially create problems. Also, it is more efficient and cost effective for a Regional inspector to perform accompaniments in their Region.
25. If review information was complete and available at the start of the review, the team could evaluate, summarize, and document their findings and recommendations, including the casework while on site. The Team Leader could then take the information and jointly work with STP in the formulation of a report within a few days.

Agreement State

1. The review must be performance-based. Items that are not performance-based should be addressed using another venue.
2. State staff should be involved in evaluating the non-common indicators.
3. Reviews should clearly indicate that this is "partnering vs oversight."
4. Agreement States should review the draft report for accuracy prior to the report being mailed.
5. Some reviewers seem to fall back into the old, familiar routine of looking at the paper trail rather than observing staff performance to determine program adequacy.
6. If the same number of case files are reviewed in smaller states as in larger states is that fair to either state?
7. When NRC staff review the non-common performance indicators, their focus is too narrow and they seem to lack good general inspection experience.
8. The review team is hampered when there is lack of management support either by the reviewing agency or the agency being reviewed.
9. IMPEP still requires considerable time and labor to participate. It is still very dependent upon sound and reasonable judgement on the part of the review team.
10. The performance Indicators are more geared to NRC guidelines. There needs to be more flexibility for Agreement State programs.

11. The licensing portion tends to be less focused on performance than the inspection portion. The SS&D portion is not focused on performance and needs the most work to move to a performance based approach.
12. IMPEP teams do not apply MD 5.6 criteria uniformly. Words like “most”, “many” and “few” are used in the manual to further cause subjectivity.
13. Team members sometimes expect very strict interpretations of regulatory guidance documents in certain functional program areas.
14. The program is dependent upon interpretations of performance/risk based guidance based on personal opinion rather than uniform policy.
15. Many Agreement States have years of experience and have developed a level of trustworthiness and competency that should be taken into consideration by NRC.
16. It is overly intrusive for the NRC to treat a State program like an NRC region. IMPEP should be scaled back to reduce the level of detail and time spent in Agreement States.
17. The program is unnecessarily lengthy, detailed, and burdensome. It could be handled more efficiently by self -reviews and sharing of database information prior to the review.
18. The program leaves reviewers little room for judgement with any judgement left to the MRB. The IMPEP program should only bring to the MRB any major issues that cannot be resolved.
19. Any role taken by the federal government greater than that of providing support, advice, or assistance in radiological health matters could be construed as intrusion into a matters that should be primarily of concern to the state government.
20. The program is only as good as the people who participate on the IMPEP teams. From this standpoint, it may be preferable to seek less turnover of state personnel.

2. How could the pre-review process, including the IMPEP questionnaire, be improved?

Trends:

NRC	STATE	
<u>1</u>	<u>4</u>	Questionnaire should be shorter
<u>6</u>	<u>5</u>	Questionnaire is fine
<u>0</u>	<u>0</u>	Questionnaire should be longer
<u>18</u>	<u>21</u>	No mention of questionnaire or no response

Suggestions and Opportunities for Improvement:

NRC

1. Team members need more time to prepare—meaning that they truly are relieved of the everyday jobs that intrude in the days preceding a review to get ready.
2. Questionnaire needs to be shortened to minimize the burden on the States/Regions.
3. Need to have team member input early so that records can be reviewed prior to the actual site visit.
4. The team could evaluate much beforehand provided the program gave much of the back up material described in the questionnaire.
5. Hold a conference call before the on-site review between the team and the agency for introductions and to discuss logistics, the needs of the team, etc.
6. The questionnaire could be standardized for all of the common indicators. In addition, the questionnaire could be issued in electronic (preferably CD) format.
7. For NRC Regions, much of the questionnaire should be answered by NRC HQ through readily available data, and the Regions could just update/change the HQ answers.
8. Ask for a self evaluation of the common and non-common indicators from the program as to improvement, status quo, or decline since the last IMPEP or last questionnaire.
9. Establish a formal three to five working day preparation period, and adopt improved specific guidance on preparation for the review by indicator. The improved guidance should capture the "institutional" knowledge of experienced team members.
10. The team member responsible for licensing actions should get a list of completions during the review period and request files to be reviewed at least 1 week in advance.
11. An abbreviated questionnaire could be considered for the periodic meetings which provides more quantitative and qualitative information on the status of the program.
12. NRC Regions should only be asked for data that cannot be obtained in headquarters.
13. For the licensing indicator, it would be simpler for the reviewer to identify the files that should be reviewed if the questions were constructed to identify types of actions (new, renewal, amendment), type of licensee (broad scope, industrial, academic, etc.) and the reviewer who completed the action.
14. All members of the team should be involved in developing the questionnaire.
15. The reviewer of the "Technical Quality of Inspections" indicator needs a copy of the State's inspection procedure manual.

16. The data needed to evaluate the Status of the Inspection Program indicator should be provided via the questionnaire, then verified by the team while on-site.

Agreement State

1. The questionnaire should use the RATS system to supply the appropriate information rather than requesting the State to duplicate.
2. Less is always better. NRC tracks state rulemaking and providing this information again could be redundant.
3. Consideration should be given to send the questionnaire to additional staff so that those responsible for answering various questions will have sufficient time to respond.
4. Although I have no major problems with the pre-review process, I still would like to see the questionnaire shortened.
5. It would be helpful to include a conference call with NRC and all state program staff members involved, to discuss the goals and objectives of the upcoming IMPEP review.
6. If the previous IMPEP is reviewed and some of the items have not changed since the previous IMPEP, the manager should not have to answer the questions again.
7. More clarification that only changes from the time of the previous review need to be provided. Some of the statistics do not add benefit to the review process. Place less emphasis on format as long as the necessary information is provided.
8. The IMPEP questionnaire could be sent to the Program earlier. Give the Program more time to collect information to give a better understanding of the program.
9. More emphasis on reporting the licenses issued and inspections performed during the review period in relation to the previous inspection.
10. Doing a self audit is vital!
11. Explanation or reference in the pre-review document to how the document will be used is appropriate.
12. Are multiple accompaniments absolutely necessary?
13. The questionnaire is too detailed in nature. Most of the information needed can be handled through the periodic meetings with STP and RASOs.
14. Simplify the questionnaire (as well as the entire IMPEP program for Agreement States) to include only broad program items.
15. Eliminate compatibility items from IMPEP. It is unproductive to take up time during IMPEP to compare state regulations and criteria with NRC regulations.
16. Include information already available to NRC staff from routine contacts with the State.
17. The IMPEP questionnaire is far too long, and takes as much time to respond to as the questionnaire utilized prior to IMPEP.
18. All questionnaires should be provided 90 days prior to the review with a minimum of 60 days to complete and return to NRC.

3. Is the length of current on-site IMPEP reviews (approximately 1 week plus accompaniments) appropriate? If not, how should it be altered?

NRC STATE

<u>17</u>	<u>19</u>	Length of current on-site reviews is appropriate
<u>6</u>	<u>5</u>	Length of current on-site reviews is <u>not</u> appropriate
<u>2</u>	<u>6</u>	Indeterminate answer or no response

Suggestions and Opportunities for Improvement:

NRC

1. Because of the strict time-line for the draft report, there is currently no ability to take technical work back for evaluation with familiar references and tools.
2. Need team member input early so that records can be reviewed prior to the actual site visit.
3. Some time may be able to be shaved off provided the program provided more documentation with the questionnaire or queries could be conducted before arriving.
4. The policy for conducting reviews of Agreement State programs with more than one agency should be established.
5. The length of time does not enhance sitting and thinking and developing questions. A split on-site review might be more effective in this respect.
6. For decommissioning program reviews, one week is not long enough for the reviewer to thoroughly look at the many aspects of the program.
7. I found it difficult to perform a sufficient SDMP review in ~4days.
8. Should be more flexible to allow more in-depth reviews, if warranted.
9. One week is grossly inadequate for reviewing an important program such as LLW. Either extend the review for such large program areas or increase the size of the team.

Agreement State

1. Do senior inspectors need to be accompaniments each time? Also, It might be appropriate to occasionally choose a less difficult licensee such as a gauge licensee.
2. There may also be "less qualified" inspectors who can comfortably conduct less difficult licensee inspections that could benefit from an NRC accompaniment.
3. For the larger programs, there was sometimes not enough time to fully visit with staff and conduct thorough investigations into root cause issues of problems identified.
4. Some reviewers are challenged to complete the number of case reviews expected.
5. Don't see how an IMPEP team of 4-5 or more for a week can be justified for audits of programs with staff numbers of 4-5 or less, nor how only a week by 4-5 in the largest of programs can also be considered adequate? Would suggest some rules of thumb for ratios of staff time per licenses, etc.
6. Reviews of smaller programs can easily be accomplished in 2 or 3 days, while the time and resources focused on larger programs (NY) is unnecessary.
7. Shortened to two or three days.
8. With a team of 3-5 people, one would think that the time allotted to carry out an IMPEP review would be less than reviews conducted prior to the implementation of IMPEP.
9. More time should be allowed for larger state programs and NRC programs.

4. IMPEP uses five “common” performance indicators: Status of Materials Inspection Program; Technical Quality of Inspections; Technical Staffing and Training; Technical Quality of Licensing Actions; and Response to Incidents and Allegations. Should any of these indicators be altered or deleted? Are there any other indicators that should be added?

NRC STATE

<u>12</u>	<u>18</u>	No change necessary
<u>9</u>	<u>5</u>	Suggested revisions
<u>4</u>	<u>7</u>	Indeterminate answer or no response

Suggestions and Opportunities for Improvement:

NRC

1. Technical Staffing and Training should be deleted in light of a performance based inspection philosophy.
2. A chronic problem in the States is funding for staff, i.e., salaries. If the team evaluated the budget, some impetus may be given the State to improve the salaries of staff.
3. The Status of Materials Inspection indicator should be deleted and the important aspects combined into the Technical Quality of inspection indicator.
4. SS&D and decommissioning should be considered common indicators since some or all of the elements are found in Agreement State programs in addition to the NRC's.
5. Re-consider whether Status of Licensing program should be added.
6. Consider splitting Incidents/Allegations into two indicators.
7. "Status of Materials Inspection Program" should be changed to "Status of Materials Regulatory Program" incorporating both inspections and licensing actions. Technical quality should be reflected in the status determination (i.e., poorly conducted or documented inspections or licensing actions should not be fully credited).
8. Maybe the "Status of Materials Inspection Program" should be combined with "Technical Quality of Inspections."
9. If there are areas of emphasis that need to be assessed, such as NMED data entry and status of terminated site reviews, these could be identified in advance. The IMPEP questionnaire letter may be the appropriate vehicle to request information on these areas. There may be a need for some process to identify areas of emphasis and to obtain agreement on those areas.
10. Recommend changing the title of indicator 5 from "Response to" to "Technical Quality of Incident and Allegation Activities."
11. Licensing timeliness would be an appropriate item for the IMPEP team to review, at least for Regional reviews.
12. We should require programs to document their functions, processes, and references to guidance, which can be utilized by future managers and staff in the program.
13. The Handbook 5.6 is virtually silent on the subject of Risk.
14. Each indicator should be specific as to the NRC criteria in which the performance is evaluated with respect to manual chapters, directives, and reports. Some of the NRC guidance needs to be reevaluated as to the applicability to State programs.

15. Handbook Part III should have the review criteria presented in a bullet fashion for the specific criteria needed under each indicator.

Agreement State

1. Add licensing timing.
2. "Status of Materials Inspection Program" is a summary, not technically an indicator as the others. It is at least partially redundant of "Technical Quality of Inspections".
3. The "Response to Incidents and Allegations" indicator should be expanded to include ALL "events" that a state decides to respond to.
4. There is little need to review Technical Quality areas in established agreement states unless new staff are introduced or insufficient staffing results from staff shortages.
5. More flexibility should be allowed in terms of the specific criteria that have no interstate commerce and uses ramifications.

5. **IMPEP uses six “non-common” performance indicators: Legislation and Program Elements Required for Compatibility; Sealed Source and Device Evaluation Program; Low-Level Radioactive Waste Disposal Program; Uranium Recovery Program; Regional Fuel Cycle Inspection Program; and Site Decommissioning Management Plan (SDMP). Should any of these indicators be altered or deleted? Are there any other indicators that should be added?**

NRC STATE

<u>14</u>	<u>13</u>	No change necessary
<u>6</u>	<u>8</u>	Suggested revisions
<u>5</u>	<u>9</u>	Indeterminate answer or no response

Suggestions and Opportunities for Improvement:

NRC

- Perhaps there should be consideration to adding the HQ fuel cycle program.
- The only interesting area to probe would be the interaction of the AEA program with the remainder, e.g., x-ray and emergency response.
- SS&D and decommissioning should be common indicators.
- Rename the SDMP indicator as decommissioning.
- The Regional Fuel Cycle Inspection Program indicator should be part of the Uranium Recovery indicator.
- Is there really a need to separate out the uranium recovery, LLRW and decommissioning inspection and licensing activities from materials?
- Consider one, common indicator for decommissioning.
- It's unclear how much of the non-common areas to address in the review of the common indicators and how much to address in the review of the non-common indicators.
- SDMP should be modified to address all of the decommissioning work being done, while still emphasizing SDMP sites and the more complex sites.
- Remove the "legislation" from "Legislation and Program Elements Required for Compatibility." The criteria related to laws should evaluate the program's authority to perform.
- Change the name and focus of the SDMP indicator to reflect completion of the original NRC SDMP and its replacement by the ongoing license termination and site decommissioning activities.

Agreement State

- It might be of more value for the states with the LLRW (and Uranium recovery) facilities to get together with the NRC and try to form a "worthwhile" evaluation process using state staff familiar with operations of a low-level radioactive waste facility.
- Consider adding Industrial Radiographer Certifying Entities to the Non-common Indicators.
- As more states do industrial radiography certification, this area might be considered.
- Another non-common indicator that should be added is Radioactive Waste Processors.

5. Flexible criteria and clear guidance needs to be provided for the SS&D Program evaluation. Reviews are not always handled in a performance based manner.
6. Specific emphasis could be added involving decommissioning.
7. LLRW Disposal Program should not be separate from other materials licensing and enforcement activities. Other complex licensing activities not separated out.
8. De-emphasize SS&D since it is just one area of licensing.
9. Areas such as compatibility can be handled by STP reviewers off-site.
10. The benefits of the LLRW Disposal Program may be suspect especially for closed sites.

6. Are the performance indicators used in a performance-based manner, when appropriate?

NRC STATE

<u>14</u>	<u>17</u>	Yes
<u>4</u>	<u>6</u>	No
<u>7</u>	<u>7</u>	Indeterminate answer or no response

Suggestions and Opportunities for Improvement:

NRC

1. There is inconsistent application across various IMPEP reviews by different team members.
2. Starting to be.
3. A good deal of the IMPEP review is review of records, not observing the inspectors/reviewers doing work and interviewing them.
4. More emphasis needs to be placed here if we want consistent regulatory oversight.
5. A reviewer's experience and knowledge will account for most of the variation and differences experienced between reviews.
6. The SS&D performance indicators are too prescriptive and need revision.
7. Difficult to apply "performance-based" to records review. More interaction with a cross-section of licensees might help.
8. The performance indicators should be reviewed against changes to the materials program resulting from risk-informing the regulatory process.
9. There are still some inconsistencies in application. This is an area that requires constant vigilance.
10. This issue should be reinforced by the IMPEP Team Leader and in IMPEP training.
11. More emphasis should be placed on the performance-based inspection process in the IMPEP training.
12. All indicators are being used in a performance-based manner except that there is some misunderstanding on what constitutes "performance."

Agreement State

1. There is some unnecessary bean counting or interpretations of how to bean count (e.g., reciprocity inspections) and at times it appears that certain members of IMPEP review teams are acting more like "licensee inspectors" instead of "review team members."
2. Reviewers have had trouble remaining performance-based and not becoming too subjective during root cause investigations.
3. An unfortunate experience with an IMPEP team member who didn't appear to realize the performance-based concept of the review has been the only exception.
4. Initial comments on SS&D reviews were limited to one or two examples, not the overall program and its performance.
5. Too much attention is spent looking at written documentation in support of performance, and not enough attention is spent on observing performance itself.

6. Revision to the SS&D criteria has enabled this indicator to be evaluated in a performance-based manner, like the others.
7. Yes, except for some SS&D portions of some reviews.
8. The licensing portion could have some additional emphasis—perhaps with additional interview time with staff and discussion on how particular situations are managed.
9. There is a mighty struggle to achieve this end for most indicators. It has not been quite the case with SS&D evaluations. Proposed changes appear to address this problem.
10. Reviewers do not have a unified understanding and interpretation of "performance based," or, "risk based," as applied to program evaluation.
11. I do not think that uniformity can be achieved until the new regulations and regulatory guides are completed.
12. They are too prescriptive and detailed in several instances such as inspection frequency for reciprocity licenses.
13. The required number of inspections of a particular priority could be conducted for the four-year evaluation period but not in a single year.
14. IMPEP should be able to note when something appears to be not be reasonable even if this tends to be prescriptive in nature.

7. Are IMPEP review team communications to State/Regional management adequate during reviews and at the appropriate management level?

NRC STATE

<u>21</u>	<u>20</u>	Yes
<u>1</u>	<u>3</u>	No
<u>3</u>	<u>7</u>	Indeterminate answer or no response

Suggestions and Opportunities for Improvement:

NRC

1. There tends to be a bit too much concern to not find fault with State's program.
2. The only problems occur with late findings and/or management delegation.
3. There often seems to be a disconnect between what program management heard during the exit, and what is documented in the report or brought to the MRB.
4. Consider a generic IMPEP review communications plan covering when, how, to whom, and what information should be transmitted.
5. Exit interviews with Agency Heads are unnecessary. They force the teams to reach conclusions prior to deliberating over their findings; program staff can relay information to their boss; and programs have an opportunity to comment on draft reports.

Agreement State

1. Team leader must cover all critical items that may be mentioned in the final report. The state/region should be made aware of changed to initial conclusions at the earliest possible time. Negative findings developed after the exit meeting are unacceptable.
2. Teams need to continue to communicate more with Agency Directors on Agreement State reviews.
3. Initial and final communications should be with an administration representative, thereafter, all technical communications should be with the program director.
4. Too cumbersome with both the MRB meeting in addition to the on-site visit. One meeting would be enough in any case.
5. Preliminary findings expressed at the management close-out are downgraded while preparing the draft IMPEP report letter.

8. IMPEP teams typically have one Agreement State member. Is this adequate representation? If not, is your program willing to provide additional staff for the teams (States only)?

NRC STATE

<u>11</u>	<u>14</u>	Representation is adequate
<u>0</u>	<u>6</u>	Representation is <u>not</u> adequate or otherwise not appropriate
<u>14</u>	<u>10</u>	Indeterminate answer or no response

Suggestions and Opportunities for Improvement:

NRC

1. An additional Agreement State member may be beneficial for large programs.
2. There is no reason why a review team can't have multiple State staff participation as long as the team leader is an NRC staff person.
3. If I represented an Agreement State, I would want more representation to serve as training for the State personnel.
4. One State member is sufficient, although more-than-one would be better.
5. The makeup of IMPEP teams should reflect the large majority of materials licenses in the States.

Agreement State

1. As time passes, the make-up of IMPEP teams may have to change to maintain a team that has experience in Agreement State functions.
2. Consider allowing an Agreement State member serve as IMPEP team leader.
3. It seems only appropriate that an IMPEP team more truly reflect the regulatory distribution of radioactive material licenses in the nation.
4. IMPEP reviews have proven beneficial to those staff who have had the training and, more importantly, the experience of participating on an IMPEP team.
5. State representation on review of certain non-common indicators might be useful. An additional representative might be beneficial for the common indicators.
6. Add a representative from the CRCPD in addition to the Agreement State member.
7. A large State might require one more AS member on the team.
8. Perhaps there needs to be more State personnel used on NRC Regional reviews and some of the larger Agreement State Programs.
9. One is adequate – two might be better.
10. Use more state personnel.
11. Certainly 20%-25% Agreement State representation on each team is reasonable.
12. At the exit briefing, it might make sense to have an Agreement State manager from a different program present as well.
13. It is not adequate because NRC staff provides the oversight and decides on most issues. States would be willing to provide staffing for more informal reviews in which the states were evaluating each other.

14. Two or more State members would bring unique experiences to the review which would be beneficial.
15. There should probably be two state team members. This is an excellent way for states to learn about other state programs.

9. Typical IMPEP review frequency is four years. Is this frequency appropriate? If not, is your program willing to provide additional staff for more frequent reviews?

NRC STATE

<u>14</u>	<u>17</u>	Four-year frequency is appropriate
<u>3</u>	<u>6</u>	Four-year frequency is <u>not</u> appropriate
<u>8</u>	<u>7</u>	Indeterminate answer or no response

Suggestions and Opportunities for Improvement:

NRC

1. License renewals have been extended for good performers, why not IMPEP reviews?
2. Frequency is too long for a state which revises program(s) every two or three years.
3. With no other internal reviews between IMPEP reviews, it may not be sufficient. Limited reviews or focused reviews in the other years seem appropriate.

Agreement State

1. A five-year frequency seems appropriate.
2. There should be less frequent IMPEP reviews for exceptional performers to focus resources on those programs most in need.
3. I think it should be on a five-year frequency if the state was found adequate at the last review, unless a state program specifically requests to have reviews more often.
4. Complex uncommon indicators such as LLRW and Uranium Recovery Program, should receive more frequent inspections featuring appropriate NRC staff.
5. Extend reviews for Agreement States found satisfactory to once every 5 years.
6. Probably too much. Perhaps topical reviews could be performed in areas where there is a need. This could be left to the program to establish the areas it needs.
7. IMPEP reviews should take place every five years, and actual support and assistance roles should be provided on at least an annual basis by RSAOs.

10. The Management Review Board (MRB) is made up of several senior NRC managers and one Agreement State senior manager. Is this makeup effective?

NRC STATE

<u>17</u>	<u>18</u>	MRB makeup is effective
<u>1</u>	<u>5</u>	MRB makeup is <u>not</u> effective
<u>7</u>	<u>7</u>	Indeterminate answer or no response

Suggestions and Opportunities for Improvement:

NRC

1. When do regional technical managers get involved?
2. The MRB should include an NRC Regional manager for all reviews to provide a program perspective that is similar to the program being reviewed.
3. A second Agreement State perspective would be desirable, perhaps the OAS Chair?
4. For MRBs involving Agreement States, the make up should be more representative of Agreement States (maybe 1-2 more additional State managers).

Agreement State

1. As with the IMPEP team, the composition of the MRB should reflect the make-up of the group being audited. TWO Agreement State representatives should be involved.
2. An NRC or Agreement State inspector or license reviewer should serve on the MRB as a consultant. No voting or decision making authority, but a resource and reality check.
3. See Agreement State response 3 to question number 8. The same responses apply to the make-up of the MRB.
4. As long as the Agreement State representative's views are accepted with equal weight to the other participants.
5. There should be at least two Agreement State senior managers on the MRB.
6. Since the Agreement State representative does not have a vote I cannot say the makeup is effective.
7. Maybe there should be more Agreement State Managers available for Region and Large Agreement State reviews.
8. A group of two or three persons from NRC or States doing this closer to full-time might improve performance and better utilize NRC staff.
9. Greater State participation would be desirable.
10. There should be at least two State members.

11. Should the Agreement State member of the Management Review Board be a voting member?

NRC STATE

<u>20</u>	<u>21</u>	Yes
<u>0</u>	<u>3</u>	No
<u>5</u>	<u>6</u>	Indeterminate answer or no response

Suggestions and Opportunities for Improvement:

NRC

1. If FACA considerations can be accommodated.
2. Achieving voting rights for the Agreement State liaison is less important than maintaining the key role of that liaison in the MRB proceedings.
3. Would a vote by the Agreement State member of the MRB have determined the decision of the Board? If not, the voting status of the A/S member may be moot.

Agreement State

1. Yes. This is "Evaluation with Representation."
2. Poll the Agreement State MRB Liaisons to get their opinions.
3. We would prefer if the state member was a voting member, but we have not experienced any problems in our input to the MRB deliberations.

12. Is the current IMPEP timeline, including the amount of time allotted for State/Region feedback on the draft report and issuance of the final IMPEP report within 104 days of the on-site review, adequate?

NRC STATE

<u>19</u>	<u>20</u>	Current timeline is adequate
<u>2</u>	<u>1</u>	Current timeline could be altered
<u>4</u>	<u>9</u>	Indeterminate answer or no response

Suggestions and Opportunities for Improvement:

NRC

1. Allowance on issuing the final report should be made if the MRB meeting is delayed due to scheduling difficulties.
2. With the exception of occasionally wanting additional time to perform technical reviews, the timeline is acceptable to me as a team member.
3. Establish 104 days as a target, with a cap of 128 days in all cases.
4. The timeline should be revisited at the end of round two.

Agreement State

1. Is there any way to cut back the time the report spends at NRC headquarters going through review?
2. If something unusual or complex comes up, the time frame may have to be extended to something like 4 to 6 months, or 130 to 190 days.
3. The state should take as much time as it needs to respond fully whether the time meets someone's time line or not.
4. It is an unnecessary burden on staff and on the states. If reviews and reporting was less detailed, it would be acceptable.

13. Are Periodic Meetings valuable? If not, what other method could be used to evaluate programs between IMPEP reviews? How do you propose we pay the cost of other methods?

NRC STATE

<u>9</u>	<u>17</u>	Periodic meetings are valuable
<u>1</u>	<u>3</u>	Periodic meetings are <u>not</u> valuable
<u>15</u>	<u>10</u>	Indeterminate answer or no response

Suggestions and Opportunities for Improvement:

NRC

1. Possibly standard questionnaire that could be sent by e-mail could be used.
2. Same methods used to evaluate licensees.
3. Yes, provided they do not turn into mini reviews which would deviates from the spirit and intent of a periodic meeting. Should the MRB be appraised of periodic meetings?
4. Consider using advanced Information Technology (video conferencing, internet, etc.) in lieu of increasing the frequency of meetings
5. Significant negative trends in programs must be identified during the meetings.
6. I suggest increased standardization and including sending out a list of discussion items, and requesting a response prior to the meeting.
7. Periodic meeting reports should address outstanding adequacy and compatibility issues, any NRC staff concerns regarding material events or allegations, etc.
8. Recommend increasing the geographic areas of responsibility for ASPO's to include States in more than one Region.
9. It is not acceptable for NRC to come with their hand out to the states as the question implies.
10. There is little value for the ASPO to attend Periodic Meetings.
11. Other issues, in particular the follow-up of previous recommendations through verification of files/documents/internal status reports should be addressed.
12. The meetings need not be limited to one day.
13. Periodic meetings have been ineffective in identifying problems.

Agreement State

1. Little can be accomplished during a one-day meeting and this policy impedes open dialogue with the NRC.
2. If the purpose of a periodic meeting is to review and close out findings from the last IMPEP review, it may be of value.
3. To evaluate programs between IMPEP reviews, the state could perform a detailed interim review of itself and submit findings.
4. Periodic Meetings would be helpful if there have been major changes, in a program or if there were particular problems with the program.
5. NRC fee revenue from Agreement State reciprocity in NRC jurisdiction could/should be used to cover the cost.

6. Mid-way meetings should focus on evaluating weaknesses from the last inspection and the overall effectiveness of the program on a larger scale.
7. Not in their present form. Not much comes of sitting around a table and talking. More active participation is needed.

ADDITIONAL QUESTIONS FOR IMPEP TEAM MEMBERS

1. **Is training adequate for IMPEP team members? Do you feel that you have sufficient resources and assistance to participate on IMPEP teams?**

NRC	STATE	
<u>17</u>	<u>12</u>	Yes
<u>1</u>	<u>0</u>	No
<u>7</u>	<u>18</u>	Indeterminate answer or no response

Suggestions and Opportunities for Improvement:

NRC

1. Could use more time to get ready.
2. Other than getting material to review before hand, yes.
3. Having the IMPEP toolbox on the STP web site will be beneficial.
4. Provide reviewers with a list of phone numbers of individuals in the NRC (and State?) to call if they need a quick question answered or clarification on an issue during a review.
5. Personnel should participate in at least one IMPEP review as observer/trainee before acting as team member.
6. Training should be supplemented with a one time team accompaniment.
7. The ad hoc, last-minute training for substitutions has not been adequate. We should ban last-minute substitutions of people that never had the formal training.
8. More guidance is needed for the SDMP non-common indicator.
9. Consider allowing new members to travel with a team as an observer for a day or two.
10. We need to capture and disseminate team members' institutional knowledge.
11. Comprehensive review information should be on CD-ROM for use by team members.
12. More emphasis should be placed on the performance-based approach.
13. Team leaders should orient team members immediately prior to a review on program updates for each revised area.
14. NRC review team members should be senior technical staff (GG-14/15).
15. More training on preparation of reports is needed.
16. I would suggest a STP/IMPEP tool box be created that can be downloaded to a CD for emergency use.

Agreement State

1. Training should be at least annual.
2. The important "training" is for the Team Leader in assuring consistency between IMPEPs for the various states. It was not clear how this was accomplished.
3. A periodic refresher sheet for team members with examples of letters and findings would be useful.

2. Did anything impede your effectiveness as an IMPEP team member? If so, how could these issues be resolved?

NRC STATE

<u>9</u>	<u>5</u>	Nothing got in the way
<u>12</u>	<u>5</u>	Room for change and/or improvement
<u>4</u>	<u>20</u>	Indeterminate answer or no response

Suggestions and Opportunities for Improvement:

NRC

1. Other workload demands make participation a challenge.
2. Need better up-front communication on review policies; perhaps an e-mail list.
3. Procedures are needed for the review of SS&D, LLRW and uranium recovery indicators.
4. The final report, the questionnaire, all correspondence between the State and the NRC from the previous review should on the web site, as well as periodic meeting summaries.
5. The 5 work day turnaround time on developing the draft report for Regional IMPEPs is not reasonable.
6. Senior staff should lead teams, not managers.
7. Time constraints.
8. Observing an IMPEP prior to fully participating would be beneficial.
9. Access to information can be a challenge. Perhaps CDs could be used for each team?
10. The questionnaire could be used to identify files that should be included in the review.
11. Perhaps file reviews could be performed before the on-site review week.
12. Not providing immediate feedback to the inspectors I accompanied.
13. NRC managers' participation during the on-site review should be at an appropriate level and should not impair the work of the team.

Agreement State

1. NRC policy as to what Agreement State members cannot review should be specified.
2. Getting a rental car approved for accompaniments should not be so difficult.
3. Agreement State members should be treated the same as NRC team members.
4. Did not always get the questionnaire information timely enough to adequately prepare for the review.
5. There needs to be agreement up front that review staff issues take priority over day-to-day issues of program staff.
6. Allow normal travel rules for State staff to apply.