

July 14, 2011

Mr. Joe Klinger, Assistant Director
Illinois Emergency Management Agency
Division of Nuclear Safety
1035 Outer Park Drive
Springfield, IL 62704

Dear Mr. Klinger:

A periodic meeting with you and your staff was held on June 15, 2011. The purpose of the meeting was to review and discuss the status of Illinois' Agreement State Program. The Nuclear Regulatory Commission was represented by Ms. Anne Boland, Ms. Lisa Dimmick and me.

I have completed and enclosed a general meeting summary, including any specific actions that will be taken as a result of the meeting.

If you feel that our conclusions do not accurately summarize the meeting discussion, or have any additional remarks about the meeting in general, please contact me at (630) 829-9661 or email to james.lynch@nrc.gov to discuss your comments.

Sincerely,

/RA by Anne T. Boland acting for/

James L. Lynch
Regional State Agreements Officer
Division of Nuclear Materials Safety

Enclosure:
As stated

cc w/ encl: Mr. Paul Eastvold
Bureau of Radiation Safety

AGREEMENT STATE PERIODIC MEETING SUMMARY FOR THE ILLINOIS
EMERGENCY MANAGEMENT AGENCY

NRC Attendees	Illinois Attendees
Jim Lynch, RSAO	Joe Klinger, Assistant Director, IEMA
Anne Boland, Director, DNMS	Paul Eastvold, Bureau Chief
Lisa Dimmick, FSME	Gary McCandless, Bureau Chief
	Gibb Vinson, Section Head

DATE OF MEETING: JUNE 15, 2011

DISCUSSION:

The Agreement State Program is administered by the Bureau of Radiation Safety (the Bureau), within the Illinois Emergency Management Agency. Most of the radioactive materials program functions reside in the Bureau, led by Paul Eastvold. Gibb Vinson is currently the Head of the Radioactive Materials Section (the Section). The Section consists of three programs: Materials Licensing, Inspection & Enforcement, and Materials Security. The Materials Security program was recently created to focus on the security portions of the Agreement Program. The inspection staff is mostly based out of the West Chicago regional office.

Some programs, such as decommissioning and financial surety are located in the Bureau of Environmental Safety. Discussions with personnel from both Bureaus indicated that they work cooperatively together and resources from one may be used to assist the other, if needed. Gary McCandless, Environmental Safety Bureau Chief indicated that his program is expanding their presence in the Agreement State area, including response to scrap and waste disposal alarm trips and licensing/inspection of radioactive waste generators.

Jonathon Monken was appointed by Governor Pat Quinn as Director of the Illinois Emergency Management Agency in February 2011. Joe Klinger was named Assistant Director. Mr. Klinger is the State Liaison Officer and remains as the NRC's main contact and responsible party for the radiation control program. Illinois has approximately 714 specific licensees.

The State's last IMPEP review was conducted in May 2009. The review team found Illinois' performance to be satisfactory for all performance indicators reviewed. The review team made one recommendation, discussed below. Accordingly, the review team recommended, and the Management Review Board agreed, that the Illinois Agreement State Program was adequate to protect public health and safety, and compatible with NRC's program.

The status of the recommendation from the 2009 Illinois Final IMPEP Report is summarized below:

- The review team recommends that the State provide inspection documentation to its licensees within 30 days of a completed inspection in accordance with the Section's policies and procedures.

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Status: The Section refined their inspection documentation process, including the use of NRC 591-type forms that can be used to close out inspection documentation in the field. The Section Head stated that inspection documentation was currently provided to licensees in a timely fashion. Inspection documentation is tracked by the Bureau Chief in a monthly report. This recommendation should be verified and closed at the next IMPEP review.

Other topics covered at the meeting included:

Program Strengths:

The experienced, competent staff is the most notable strength of the program. Many of the staff members have over 20 years experience with the State. Program supervisors are very experienced and have maintained a strong radioactive materials program during a difficult budget period.

The State provides excellent support to NRC and other Agreement States with their thorough evaluation of proposed regulations and procedures.

The Illinois orphan source program has been very successful, significantly reducing the number of unwanted, potentially dangerous radioactive sources in the State.

Program Weaknesses:

Vacancies in the licensing program have resulted in increased workloads for supervisors and inspection staff personnel.

Travel issues have resulted from the State's budgetary woes. Out-of-State travel is currently allowed, but needs to be approved by the Governor's office.

Feedback on NRC's Program:

The State managers indicated that they appreciated the good relationship and communication that they have with NRC Region III. They were also appreciative of NRC's funding for Agreement State training.

Staffing and Training:

Staffing for the Agreement State program remains a challenge with significant budget issues facing the State. An inspector was recently hired to fill the Springfield inspector position left vacant by a retirement. Three licensing positions are currently being evaluated by the Director's office. The Assistant Director stated that filling the positions is a priority for the Agency.

With the potential new hires coming into the program and increased duties for Environmental Safety staff, State managers inquired about the possibility of bringing some of the basic NRC-sponsored training courses, such as licensing procedures and inspection procedures, to Illinois in the next fiscal year. The NRC representatives

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discussed the training course development process and suggested that they contact the FSME Training Coordinator if they wish to sponsor a course. The State asked if the Region III office could be a potential training location and were told by Anne Boland that it could be feasible.

Gary McCandless requested a status update on several training course applications for his staff. After checking with the FSME Training Coordinator, it was discovered that several applications had been overlooked and NRC has now placed the applications in the training course queue.

Gibb Vinson asked if NRC training materials were available for courses that had been added as core courses. These would be used to train staff that may not be able to travel for certain courses. Jim Lynch said that many course training materials were available to IEMA upon request.

Program Reorganizations:

As mentioned earlier, the Materials Security program was recently created to focus on the security portions of the Agreement Program. The Health Physicist chosen to lead this program was temporarily reassigned, however, to perform downstate inspections as needed due to the retirement of the Springfield inspector, and to perform licensing actions to assist the depleted Materials Licensing program.

Changes in Program Budget/Funding:

No significant budgetary changes were identified by State managers. The Agreement State program receives approximately 88 percent of its budget from licensee fees; the other 12 percent comes from other sources. The fee-based funding level was increased from approximately 50 percent to its current level with a fee increase in March 2009.

Materials Inspection Program:

Illinois inspection frequencies are at least as frequent as found in NRC's Inspection Manual Chapter (IMC) 2800. According to the Section Head, no inspections are currently overdue with respect to NRC priorities. New licensees are inspected within 12 months of license issuance, regardless of whether the licensee has received radioactive material. Reciprocity inspections are performed in accordance with the frequencies identified in NRC Manual Chapter 1220.

Materials Licensing Program:

No significant licensing backlogs exist; however, with the shortage of license reviewers, IEMA is prioritizing licensing actions with health, safety and security-related actions taking precedence. IEMA issues licenses on a 5-year term. An expedited license renewal program is being used for licensees whose programs do not have significant changes.

A due diligence review is performed for new licensees and new radioactive material users. This review is an extensive background check. Pre-licensing visits are

performed for all applicants unless they already have an NRC or Agreement State license. Financial assurance obligations are reevaluated every 2 years.

Regulations and Legislative Changes:

The Section Head stated that in May 2011, the State submitted final versions of the five latest regulation packages which were due for adoption (RATS IDs: 2007-1, 2007-2, 2007-3, 2008-1, and 2009-1). The regulation promulgation process in Illinois takes approximately 1 year to complete.

The current 10 CFR Part 37 rulemaking process was also discussed during the meeting. NRC will send the State a Part 37 adoption process timeline, when it is available.

Event Reporting, including Follow-up and Closure Information in the Nuclear Materials Events Database (NMED):

The Bureau had reported numerous events to NMED since the 2009 IMPEP review. All of the events were appropriately reported to the NRC, and were properly entered into, and updated, within NMED. Very good communication with Region III was noted during event response.

Response to Incidents and Allegations:

The Bureau continues to be sensitive to notifications of incidents and allegations. Incidents are quickly reviewed for their affect on public health and safety. Sixteen reportable incidents were reported since the last IMPEP review. Staff is dispatched to perform on-site investigations when necessary, including mitigation of landfill and scrap dealer alarm trips. The program managers have placed emphasis on maintaining an effective response to incidents and allegations.

Status of Allegations and Concerns Referred by the NRC for Action:

The NRC referred three allegations to Illinois since the last IMPEP review. One of the allegations is currently under review, while the other two were closed by the State. The RSAO verified that the completed allegations were thoroughly investigated in a timely fashion. Allegers' identities were protected, as appropriate.

Significant Events and Generic Implications:

The Bureau identified two abnormal occurrences since the last IMPEP review. Loyola University Medical Center had a human exposure incident and Rush University Medical Center had a medical event that met the abnormal occurrence criteria. The Loyola incident was reported in the Fiscal Year 2010 report to Congress. The Rush incident will be included in the Fiscal Year 2011 report. State managers stated that the write-up for that incident will be submitted to the NRC in the near future.

In 2010, Riverside Medical Center lost control of a brachytherapy safe containing 14 cesium-137 sources. IEMA believes that the safe was disposed of in an Indiana

landfill. NRC assisted the State by performing surveys at the landfill.

Current State Initiatives:

With the ongoing decommissioning of the Zion nuclear plant, State law requires IEMA to ensure that waste from the decommissioning efforts is transported safely within the State. Ms. Boland committed to have the Region III Decommissioning staff arrange further meetings with IEMA to discuss our respective regulatory authorities and best align our future Zion activities, in the most efficient and effective manner.

Large, Complicated, or Unusual Authorizations for use of Radioactive Materials:

Illinois' significant decommissioning projects were discussed, including Chicago Magnesium and Tronox (aka Kerr-McGee). The Chicago Magnesium decommissioning in Blue Island should be completed in 2011. The industrial site and nearby forest preserve were successfully decontaminated.

The Tronox decommissioning project continues in West Chicago under an environmental trust arrangement. The factory site decommissioning is essentially completed. Kress Creek was also decontaminated. One reach of the DuPage River, downstream from Kress Creek, is yet to be decontaminated. Groundwater remediation at the factory site will continue for 10-15 years. The total decommissioning project cost is estimated to be \$600-800 million. IEMA may request future assistance from NRC with the environmental analysis for this project.

Recently, a landfill in Roxana, Illinois has received a number of radioactive material contaminated waste shipments from waste transfer stations in Missouri, a non-Agreement State. The Bureau Chief asked NRC representatives if they could interact with the Missouri facilities, which are not licensees, to ensure that proper monitoring is performed prior to shipping waste to the landfill. Region III personnel contacted the waste transfer stations and received assurances that upgraded radiation monitoring systems were being installed which should help preclude shipments of contaminated waste to the landfill.

Sealed Sources and Devices:

IEMA has an active SS&D program which issues approximately 6 to 7 amendments per year.

Current NRC Initiatives:

NRC staff discussed ongoing initiatives with the Illinois representatives. These included: medical rulemaking and workshops; brachytherapy guidance; license maximum possession limits; control of sensitive information; NRC's enforcement guidance for portable gauges; and the recently published Inspection Manual Chapter 1248 which regards staff training and qualification.

CONCLUSION:

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The Illinois Agreement State Program remains a very active, strong, stable program with excellent management support. Recent staffing changes have left the licensing program with three vacancies and put a strain on the entire program. The training level for staff members is on target. Illinois managers indicated that they will continue to support the IMPEP program and NRC working groups, to the extent practical.

Schedule for the Next IMPEP Review:

NRC staff recommends that the next IMPEP review to be held, as currently scheduled, in 2013.