



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-4005**

August 16, 2006

**Texas - Heightened Oversight
Conference Call Summary**

Date of call: August 7, 2006

Participants:

State of Texas

Richard Ratliff, Radiation Control Program Officer

Alice Rogers, Inspection Unit

Tommy Cardwell, Radiation Inspection Branch

Bill Silva, Radioactive Materials Group

Bob Free, Environmental Monitoring Group

Cindy Cardwell,, Policy/ Standards/ Quality Assurance Group

Ruth McBurney, Radiation Safety Licensing Branch, Regulatory Licensing Unit

Pete Myers, Radioactive Materials Licensing Group

NRC

Linda McLean, SAO, RIV

Janet Schlueter, Director, STP

Dennis Rathbun, Deputy Director, STP

Aaron McCraw, ASPO, STP

Kathy Schneider, STP

NRC staff opened the call with introductions and a request for a discussion on the status of the Department of State Health Services (the Department) program improvement plan (Plan). Below is a summary of the Department's actions since the June 5, 2006, heightened oversight conference call.

Recommendations:

1. The review team recommended that the Department hire and retain sufficient qualified staff to return and maintain the program at a satisfactory performance level.
(Section 3.1)

Current Status: The Radioactive Materials Group has filled all materials inspector positions. Currently there are 14 materials inspectors, four of which are in training. As of June 29, two inspectors who had provisional inspection authorization are now qualified to do independent inspections. Three new positions have also been approved for the uranium and waste processing licensing program.

2. The review team recommended that the Department review their process for issuance of inspection letters and develop a process that will allow the 31-day issuance goal for routine cases to be achieved on a consistent basis. (Section 3.2)

Current Status: The Policy/Standards/Quality Assurance (PSQA) Group performance of reducing backlog reports continues to improve. The percentage of reports that exceeded the 31 day goal in May was 5%, in June 1%, and in July 0%. (Note: In January and February approximately 50% of the compliance letters exceeded the Department's 31-day goal. In March, the percentage dropped to approximately 30%.) The Department has 19 new overdue and five old overdue inspections. The total of overdue is 24 (12 initial and 12 routine). The Department inspected 11 initial inspections and 16 routine inspection since the last conference call. Of the 19 new overdue inspections, 12 are in regions where inspectors are In training. The Department plans to send qualified inspectors to these regions to help reduce the overdue inspections.

3. The review team recommended that the State adhere to the policy of annual supervisory accompaniments of all qualified inspectors. (Section 3.3) (Open recommendation from the 2001 IMPEP report)

Current Status: The Department stated that inspector accompaniments have been assigned for 2006. The accompaniments are on-going and will be spaced out throughout the year.

4. The review team recommended that the State develop a process to ensure that inspections are performed in accordance with their own performance-based inspection procedures. (Section 3.3)

Current Status: The technical staff completed training on the changes to the procedures and inspection forms on July 24, 2006. The training included reinforcement of the use of performance-based inspections. The Department's goal is to focus the inspections on licensee performance as of August 1, 2006.

5. The review team recommended that the Department report all significant and routine events, as well as follow-up event information, to the NRC in accordance with STP Procedure SA-300, "Reporting Material Events." (Section 3.5) (Open recommendation from the 2001 IMPEP report)

Current Status: The staff are continuing to investigate and report significant and routine materials events based on the SA-300 procedure. Since the last call, the Department logged a total of 10 reportable events and 13 non-reportable events. The Group Manager stated all 10 SA-300 reportable events met the timeliness requirements of the regulatory reporting criteria.

6. The review team recommended that the Department develop and implement an inspection program to verify that the QA/QC requirements in the SS&D Registry sheets are being implemented by the manufacturer. (Section 4.2.2)

Current Status: The Department has developed an inspection program to verify the SS&D QA/QC requirements. Management trained the inspection staff on the new policy during the July 24, 2006, staff meeting. The Department implemented the policy on August 1, 2006.

7. The review team recommended that the Department conduct an evaluation of the uranium recovery program workload and hire the necessary staff to adequately address the workload. (Section 4.4.1)

Current Status: Three additional positions have been added to the uranium recovery program in the Technical Assessments Group. One position is still open.

8. The review team recommended that the Department prepare necessary supporting documentation identifying the bases for the licensing actions associated with reclamation plans for the three conventional mills. (Section 4.4.4) (Open recommendation from the 2001 IMPEP report)

Current Status: The Technical Assessments Group Manager has organized the documents that will be used to support closure for each conventional mill and has developed an outline for the required Completion Review Report for each mill. The Group Manager has selected the Rio Grande Resources (RGR) facility to be the first mill site for the preparation of supporting documentation associated with site reclamation and closure. The alternate concentration limit (ACL) for the RGR facility review has started, and the settlement review is on-going.

Next Conference Call:

The next call has been scheduled for October 10, 2006 at 9:00 a.m. (CDT).

cc:
Richard Ratliff, TX Radiation Control Program Director

bcc: (via ADAMS e-mail distribution):

LWert

CCain

RErickson

JSchlueter, STP

DRathbun, STP

AMcCraw, STP

SUNSI Review Completed: ADAMS: **Yes**/ No Initials: _mlm_____

ADAMS: Yes 9No Initials: ____mlm____

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Program Improvement Plan
Texas Department of State Health Services
August 2006

Recommendation from NRC MRB	Tasks	Milestones	Assignments	Anticipated Completion Date	Current Status or Completion Date
Hire and retain sufficient qualified staff to return and maintain the program at a satisfactory performance level.	Hire and retain sufficient qualified staff to return and maintain the program at a satisfactory performance level.	Post two newly reclassified inspector positions.	Bill Silva	February 1, 2006	All RAM inspector positions are filled.
		Develop draft of formal training program for new inspectors and quality assurance reviewers.	Bill Silva Cindy Cardwell	April 30, 2006	Draft program for QA reviewers out for comment.
		Develop draft of intern program.	Alice Rogers	April 30, 2006	Draft submitted to management on February 13, 2006.
		Develop draft of plan for succession plan.	Cindy Cardwell	May 31, 2006	On-going.
Review process for issuance of inspection letters	Consistently issue routine compliance letters within 31 days of the date of inspection. Perform routine inspections within the designated inspection interval.	Revise quality assurance review procedures	Cindy Cardwell	March 31 2006	Completed February 17, 2006. Reviewed with QA reviewers on March 22, 2006. The standard for getting a compliance letter to the licensee within 31 days depends upon both the Inspections Group and the PSQA group meeting their performance standards for report submittal and report review. The PSQA performance continues to improve. The percentage of reports reviewed that exceeded the standard was 5% in May, 1% in June and 0% in July.

		Re-evaluate current inspection frequencies.	Tommy Cardwell	February 28, 2006	<p>Completed. Several inspection frequencies have been changed. The changes will bring more DSHS inspection frequencies in line with NRC inspection frequencies and will facilitate the review of TX intervals during the IMPEP process. The inspection status as of July 19, 2006 is as follows:</p> <p>Total overdue inspections at last update 32</p> <p>Overdues inspected since last update</p> <p> Initial 11</p> <p> Routine 16</p> <p> Total 27</p> <p>New Overdues since last update</p> <p> Initial 9</p> <p> Routine 10</p> <p> Total 19</p> <p>Total new overdue 24</p> <p>Of the 19 new overdue, 12 are in regions where the inspection is undergoing training.</p> <p>Two inspector who had provisional inspection authorization have been released to perform independent inspections on June 29, 2006.</p>
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Adhere to the policy of annual supervisory accompaniments of all qualified inspectors.	Conduct annual supervisory accompaniments of each qualified inspector.	Review annual accompaniments performed to date.	Bill Silva	April 1, 2006	All qualified inspectors have been accompanied. Accompaniments for 2006 have been assigned. Accompaniments are on-going and are being performed throughout the year, rather than the majority of them being done at the end of the calendar year.
Reinforce the use of performance-based inspection procedures through refresher training of inspection and PSQA staff.	Ensure inspections are conducted using the DSHS inspection procedures.	Evaluate inspection procedures.	Tommy Cardwell Bill Silva Cindy Cardwell Richard Ratliff	April 30, 2006	Completed. Training was conducted the week of July 24 on new procedures. Beginning August 1, 2006, inspections will be performed using the new procedures.
		Review inspection forms.	Tommy Cardwell Bill Silva Cindy Cardwell Richard Ratliff	April 30, 2006	Completed. Training was conducted the week of July 24 on new forms. Beginning August 1, 2006, inspections will be performed using the new forms.
		Conduct training on changes to inspection procedures and inspection forms	Cindy Cardwell Bill Silva	July 31, 2006	The training was conducted the week of July 24, 2006. This also included training on new forms and standard violations for increased controls inspections.

Report all significant and routine events, as well as follow-up event information, to the NRC in accordance with STP Procedure SA-300, "Reporting Material Events".		Maintain reporting procedure.	Bob Free		Reportable events are continuing to be reported within specified timeframes.
Develop and implement an inspection program to verify that the QA/QC requirements in the SS&D Registry sheets are being implemented by the manufacturer.	Inspect manufacturing licensees according to DSHS policy.	Evaluate and define specifics of a SS&D Registry QA/QC program.	David Fogle	February 28, 2006	Completed March 24, 2006.
		Implement policy for Licensing Group.	Ruth McBurney	February 28, 2006	Completed March 24, 2006.
		Train inspectors on new policy.	Cindy Cardwell Bill Silva	July 31, 2006	Training was conducted the week of July 24 on new policy.
		Implement policy for Inspection Group.	Thomas Cardwell Bill Silva	August 1, 2006	Completed August 1, 2006.
Conduct an evaluation of the uranium recovery program workload and hire the necessary staff to adequately address the workload.	Conduct an evaluation of the uranium recovery program workload and hire the necessary staff to adequately address the workload.	Evaluate current and future staffing needs for the Uranium program.	Gary Smith	November 22, 2005	Completed November 22, 2005.
		Seek approval for additional staff in health physics, geology, and civil engineering.		January 2, 2006	Completed January 2, 2006.
		Post new uranium positions.		February 1, 2006	February 1, 2006.
		Hire new uranium staff.		May 1, 2006 - We still have one HP vacancy. Hope to have it filled by September 1.	All new positions except one have been filled. Reposted vacant environmental health physicist position, since a satisfactory applicant was not found on first posting.

Prepare necessary supporting documentation identifying the bases for the licensing actions associated with reclamation plans for the three conventional mills.	Develop plan for document organization.	Folder created for each conventional mill to hold copies of documents that will be used to support closure.	Gary Smith	February 15, 2006	Completed February 15, 2006.
	Produce an outline for the required Completion Review Report.	Completion Review Report outline produced for each conventional mill.		February 15, 2006	February 15, 2006.
	Uranium staff to begin documentation process for each mill site.	Starting with the RGR facility, complete the ACL review, settlement analysis, and all other reviews required for license termination.		December 31, 2006	ACL review started; settlement review on-going.