



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V

1450 MARIA LANE, SUITE 210
WALNUT CREEK, CALIFORNIA 94596

JUL 18 1985

Charles F. Tedford
Arizona Radiation Regulatory Agency
925 South 52nd Street, Suite 2
Tempe, Arizona 85281

Dear Mr. Tedford:

This is to confirm the discussions Mr. Jack Hornor, Regional State Agreements Representative, held with you and your staff on June 14, 1985, following our review and evaluation of the State's radiation control program. The review covered the principal administrative and technical aspects of the program. This included an examination of the program's legislation and regulations, organization, management, administration, personnel, licensing and compliance actions.

Our review was performed in accordance with the NRC Policy defined in the "Guidelines for NRC Review of Agreement State Radiation Control Programs." These guidelines were published in the Federal Register on December 4, 1981, and define the 30 indicators that are used for evaluating Agreement State programs. A description of how the indicators are used in reporting the results of the program review to State management is enclosed (Enclosure 1).

As a result of the review of the state program and the routine exchange of information between the Nuclear Regulatory Commission and the State of Arizona, it was determined that overall the Arizona program for the regulation of agreement materials is adequate to protect the public health and safety, but we are withholding, at this time, a finding of compatibility pending the completion of the updating of the Arizona regulations.

This relates to a significant Category I Indicator, Status of Regulations. The guidelines state that an Agreement State should have regulations that are essentially identical to 10 CFR, Parts 19 and 20, and have a high degree of uniformity with other NRC regulations. The Arizona regulations have not been updated in their entirety since 1977, whereas NRC regulations undergo continuous upgrading. We were informed that the necessary revisions are to be enacted during 1985 and we will therefore be able to make a finding regarding the compatibility of your program after the revisions become effective.

Our review also identified two other areas that pose potential problems for the program. First, although it was an issue in the two previous reviews, Arizona has not completed their written internal procedures, including those for the processing of license applications and for implementing inspection and enforcement policies. This lack of documentation has resulted in inconsistencies in these areas of the program. Second, it was noted during the review that Arizona does not have an Automatic Data Processing System other than word processing. The guidelines suggest that information and retrieval capability should be available for programs with 300 to 400 licenses, which applies to the Arizona program.

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Charles F. Tedford

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We have observed continued improvement in your program and we believe that the support given by you and your staff is a major contributor in achieving this accomplishment. Also, we noted the increase in salaries and resultant elimination of the high turnover rate in your technical staff.

Enclosure 2 contains additional comments regarding the technical aspects of the review of your program. These comments were discussed with you and your staff during our exit meeting. As we advised you at that time, a response to these findings is requested by this office.

In accordance with NRC practice, I am providing a copy of this letter to be placed in the State's Public Document Room or otherwise be made available for public review.

I appreciate the courtesy and cooperation extended by you and your staff to Mr. Hornor, who conducted the review.

Sincerely,

/s/

John B. Martin
Regional Administrator

Enclosures:
As stated

cc w/enclosures:
State Public Document Room
NRC Public Document Room (SP-01)
Mr. George Britton, Arizona Governor's Office
Mr. G. Wayne Kerr, Director, OSP

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Enclosure 1

Application of "Guidelines for NRC Review of Agreement State Radiation Control Programs"

The "Guidelines for NRC Review of Agreement State Radiation Control Programs," were published in the Federal Register on December 4, 1981 as an NRC Policy Statement. The Guide provides 30 Indicators for evaluating Agreement State program areas. Guidance as to their relative importance to an Agreement State program is provided by categorizing the Indicators into 2 categories.

Category I indicators address program functions which directly relate to the State's ability to protect the public health and safety. If significant problems exist in several Category I indicator areas, then the need for improvements may be critical.

Category II indicators address program functions which provide essential technical and administrative support for the primary program functions. Good performance in meeting the guidelines for these indicators is essential in order to avoid the development of problems in one or more of the principal program areas, i.e. those that fall under Category I indicators. Category II indicators frequently can be used to identify underlying problems that are causing, or contributing to, difficulties in Category I indicators.

It is the NRC's intention to use these categories in the following manner. In reporting findings to State management, the NRC will indicate the category of each comment made. If no significant Category I comments are provided, this will indicate that the program is adequate to protect the public health and safety. If at least one significant Category I comment is provided, the State will be notified that the program deficiency may seriously affect the State's ability to protect the public health and safety and should be addressed on a priority basis. When more than one significant Category I comment is provided, the State will be notified that the need of improvement in the particular program areas is critical. The NRC would request an immediate response, and may perform a follow-up review of the program within six months. If the State program has not improved or if additional deficiencies have developed, the NRC may institute proceedings to suspend or revoke all or part of the Agreement. Category II comments would concern functions and activities which support the State program and therefore would not be critical to the State's ability to protect the public. The State will be asked to respond to these comments and the State's actions will be evaluated during the next regular program review.

Enclosure 2

Comments and Recommendations on Technical Aspects of the Arizona Radiation Control Program for Agreement Materials

I. Legislation and Regulations

Status of Regulations is a Category I Indicator. The following significant comment and recommendation is made:

Comment

The State should have regulations that are compatible with those of the NRC. Arizona's radiation control regulations have not been amended in their entirety since 1977. We do recognize that an updated version of the regulations is currently undergoing State review. However, this was also the case during the past two reviews and adoption of the revised regulations has still not been accomplished.

Recommendation

We recommend you increase your efforts to follow through with the current revision process, and take the steps necessary to ensure the adoption of these revisions.

II. Management and Administration

- A. Quality of Emergency Planning is a Category I Indicator. The following minor comment and recommendation is made.

Comment

The State should have a written emergency plan specifically defining the responsibilities and actions to be taken by State agencies, and this plan should be distributed to the appropriate persons and agencies. The ARRA meets the guidelines for a written plan in their Standard Operating Procedures (SOP) which describe the appropriate measures for responding to incidents or accidents involving radioactive materials. However, these procedures are not contained nor referenced in the radioactive materials section of the State of Arizona Hazardous Material Emergency Response Plan.

Recommendation

We recommend the SOP be incorporated into the statewide emergency plan.

- B. Administrative Procedures is a Category II Indicator.

Comment

The RCP should establish written internal procedures addressing the processing of license applications, inspection policies and procedures as well as other functions required of the program. The

RCP currently has incomplete drafts of administrative procedures covering licensing and compliance. These draft procedures, for instance, do not cover decommissioning, termination, reciprocity, escalated enforcement, stored source requirements, etc. These written procedures are needed for program consistency and the training of new hires. It should be noted that this finding is repeated from the two previous reviews.

Recommendation

We recommend that the State RCP complete its written internal administrative procedures on a high priority basis.

- C. Office Equipment and Support Services is a Category II Indicator. The following comment and recommendation is made:

Comment

Automatic Data Processing and retrieval capability should be available to programs with 300 to 400 licenses. Arizona has no such capability and all records and data must be kept manually. This is time consuming, and in some cases, the loss of information has resulted in the lack of appropriate follow-through.

Recommendation

We recommend an Automatic Data Processing System be obtained that will be adequate to support your program needs.

III. Licensing

Licensing Procedures is a Category II Indicator. The following comment and recommendation is made:

Comment

Licensing and renewal applicants should be furnished copies of applicable guides and regulatory positions. The ARRA currently does not furnish guides or positions to the applicant unless specifically asked. This policy increases the number of deficiency letters and therefore the time frame required to complete the processing of licenses.

Recommendation

We recommend that Arizona routinely send copies of regulatory guides and other pertinent data to assist new and renewal applicants with the filing of their applications. The State can use NRC guides until it has time to develop its own.

IV. Compliance

- A. Status of Inspection Program is a Category I Indicator. The following minor comment and recommendation is made:

Comment

Arizona has seven licenses in Priorities 1, 2 and 3 which are overdue by greater than 50 percent of their inspection frequency. The reviewer was furnished a plan of action designed by the State to eliminate the backlog within a given timeframe.

Recommendation

We recommend you closely follow the milestones and review the progress of the plan so that the goal is met.

- B. Responses to Incidents and Alleged Incidents is a Category I Indicator. The following minor comment and recommendation is made:

Comment

The NRC should be notified if an incident could be relevant to other licensed operations. It was observed that an Arizona licensee released Krypton-85 gas in excess of the abnormal occurrence reporting (AOR) criteria and the NRC was not notified.

Recommendation

We recommend you review all incidents against the AOR criteria and provide NRC written reports when the criteria have been exceeded. We also asked that telephone notifications be made to NRC of "significant incidents" as outlined in Mr. Nussbaumer's November 23, 1984 All Agreement State Letter (attachment).

- C. Enforcement Procedures is a Category I Indicator. The following minor comment and recommendation is made:

Comment

Licensee responses to enforcement letters should also provide resolution of "previous items of concern," i.e. issues that were not items of noncompliance. It was observed that, in several cases, items of concern were not addressed by the licensee nor were they followed up by the RCP.

Recommendation

Enforcement procedures should be revised to include the ARRA policy for the required response and follow-through on these items.

- D. Inspection Reports is a Category II Indicator. The following comments and recommendations are made:

Comments

Reports should uniformly and adequately document the results of inspections. Inspection reports were found to be inconsistent in their format and incomplete in documentation. Examples of items

that were not documented in the reports were found to be observing licensee operations, worker interviews and wipe test results.

Recommendations

A uniform inspection form or checklist for narrative reports should be developed. Written procedures should be implemented to ensure the reports are complete with adequate documentation and consistency.

- E. Independent measurement is a Category II Indicator. The following comment and recommendation is made:

Comment

RCP instrumentation should include methods for measuring air flow rates. The ARRA does not have the capability of measuring air flow, in particular from hoods or xenon ventilation systems.

Recommendation

The purchase of a velometer or other equivalent air flow rate instrumentation should be expedited.