



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001**

(STC-14-111, December, Program, SA-101)

December 15, 2014

ALL AGREEMENT STATES

OPPORTUNITY TO COMMENT ON DRAFT REVISION TO THE OFFICE OF NUCLEAR MATERIAL SAFETY AND SAFEGUARDS PROCEDURE SA-101, *REVIEWING THE COMMON PERFORMANCE INDICATOR, STATUS OF MATERIALS INSPECTION PROGRAM* (STC-14-111)

**Purpose:** To provide the Agreement States, Non-Agreement States, and State Liaison Officers an opportunity to comment on the proposed revisions to the Office of Nuclear Material Safety and Safeguards (NMSS) Procedure SA-101, *Reviewing the Common Performance Indicator, Status of Materials Inspection Program*.

**Background:** This procedure is being revised to update current practices and organizational changes.

**Discussion:** Enclosed for your review and comment is the draft revision to the Office of Nuclear Material Safety and Safeguards Procedure SA-101, *Reviewing the Common Performance Indicator, Status of Materials Inspection Program*. This document describes the procedure for conducting the Integrated Materials Performance Evaluation Program (IMPEP) [Management Directive 5.6] reviews of the U.S. Nuclear Regulatory Commission Regional and Agreement State radioactive materials programs using the common performance indicator, Status of Materials Inspection Program.

Please provide any comments to the contact person listed below. We would appreciate receiving your **comments<sup>1</sup> within 30 days from the date of this letter.**

<sup>1</sup>This information request has been approved by OMB 3150-0029 expiration 04/30/2017. The estimated burden per response to comply with this voluntary collection is approximately 8 hours. Send comments regarding the burden estimate to the Records and Information Services Branch (T-5F53), U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, or by Internet e-mail to [infocollects.resource@nrc.gov](mailto:infocollects.resource@nrc.gov), and to the Desk Officer, Office of Information and Regulatory Affairs, NEOB-10202 (3150-0200), Office of Management and Budget, Washington, DC 20503. If a means used to impose an information collection does not display a currently valid OMB control number, the NRC may not conduct or sponsor, and a person is not required to respond to, the information collection.

STC-14-111

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If you have any questions regarding this correspondence, please contact me at 301-415-3340 or the individual named below:

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**/RA Pamela Henderson for/**

Laura A. Dudes, Director  
Division of Material Safety, State, Tribal  
and Rulemaking Programs  
Office of Nuclear Material Safety  
and Safeguards

Enclosure:  
NMSS SA-101, *Reviewing the Common  
Performance Indicator, Status of  
Materials Inspection Program*



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**FSME-NMSS Procedure Approval**

***Reviewing the Common Performance Indicator,  
Status of Materials Inspection Program - SA-101***

Issue Date: July 23, 2007

Review Date: July 23, 2010

Laura A. Dudes Janet R. Schlueter Original signed by  
Director, MSTR-DMSSA Janet R. Schlueter  
Date: 7/23/2007

A. Duncan White Original signed by  
Branch Chief, ASPB-DMSSA A. Duncan White  
Date: 7/23/2007

Janine F. Katanic Aaron T. McCraw Original signed by  
Procedure Contact, ASPB-DMSSA Aaron T. McCraw  
Date: 12-8-14 via e-mail  
7/19/2007

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**NOTE**  
***These procedures were formerly issued by the Office of State and Tribal Programs (STP). As of October 1, 2006, any changes to the procedure will be the responsibility of the FSME Procedure Contact as of***

***October 1, 2006. Copies of [NMSS FSME](#) procedures will be available through the NRC website.***

	<p><b>Procedure Title:</b>  <i>Reviewing the Common Performance Indicator, Status of Materials Inspection Program</i></p> <p><b>Procedure Number:</b> SA-101</p>	<p><b>Page 1 of</b>  <b>140</b></p> <p><b>Issue Date:</b>  <b>7/23/2007</b></p>
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## I. INTRODUCTION

This document describes the procedure for conducting reviews of the U.S. Nuclear Regulatory Commission (NRC) Regional and Agreement State radioactive materials programs using the common performance indicator, Status of Materials Inspection Program [Management Directive (MD) 5.6, *Integrated Materials Performance Evaluation Program (IMPEP)*].

## II. OBJECTIVES

- A. To verify that ~~core~~initial inspections and inspections of Priority 1, 2, and 3, licensees are performed at the ~~proper interval, as~~frequency prescribed in NRC Inspection Manual Chapters (IMC) 2800, *Materials Inspection Program*. ~~Note: As used in this procedure, the phrase “core inspections” refers to all initial inspections of new licensees and all routine inspections of Priority 1, 2, and 3 licensees.~~
- B. To verify that candidate ~~reciprocity~~licensees working under reciprocity are inspected in accordance with the ~~frequencies-criteria~~ prescribed in IMC 1220, *Processing of NRC Form 241, “Report of Proposed Activities in Non-Agreement States, Areas of Exclusive Federal Jurisdiction, and Offshore Waters,” and Inspection of Agreement State Licensees Operating Under 10 CFR 150.20*. (Note: Agreement State programs can develop an alternative policy for reciprocity inspections in lieu of IMC 1220, using a similar risk-informed performance-based approach for determining reciprocity licensees that are candidates for inspection.)
- C. To confirm that deviations from inspection schedules are normally coordinated between technical staff and management.
- D. To determine that there is a plan to perform any overdue inspections and reschedule any missed or deferred inspections. ~~To determine that~~ a basis has been established for not performing any overdue inspections or rescheduling any missed or deferred inspections.

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- E. To confirm that inspection findings are communicated to licensees in a timely manner (30 calendar days [after inspection completion](#) as specified in IMC 0610, *Nuclear Material Safety and Safeguards Inspection Reports*).

### III. BACKGROUND

Periodic inspections of licensed ~~operations activities~~ are essential to ensure that activities are conducted in compliance with regulatory requirements and consistent with good safety ~~and security~~ practices. Inspection frequency, designated by a priority ~~code~~, is based on the ~~potential relative risk of the radiation hazard of the licensed activity's program~~. For example, a Priority 1 licensee presents the greatest risk to ~~public~~ health and safety of workers, ~~members of the public~~, and the environment; ~~and thus therefore~~, Priority 1 ~~licensees~~ requires the most frequent inspections (every year).— Information regarding the number of overdue inspections is a significant measure of the status of a radioactive materials inspection program. ~~In order to determine this information, —and thus—~~ the capability for maintaining and retrieving statistical data on the status of an inspection program must exist.

### IV. ROLES AND RESPONSIBILITIES

#### A. Team Leader

Determines which team member(s) is assigned as the principal reviewer for this performance indicator.

#### B. Principal Reviewer

1. ~~Reviews relevant documentation, conducts staff discussions, and maintains a summary of all statistical information received. Meets the appropriate requirements specified in MD 5.10, *Formal Qualifications for Integrated Materials Performance Evaluation Program (IMPEP) Team Members*.~~
2. ~~Reviews relevant documentation, conducts management and staff discussions, and maintains a summary of all statistical information received. Meets the appropriate requirements specified in MD 5.10, *Formal Qualifications for Integrated Materials Performance Evaluation Program Team Members*.~~
3. Informs the Team Leader of their findings throughout the review.
4. Completes their portion of the IMPEP report for the performance indicator(s) reviewed.
5. Attends the IMPEP Management Review Board meeting for the review and is prepared to discuss their findings, if necessary (this can be done either in-person or via teleconference).

## V. GUIDANCE

### A. Scope

1. This procedure specifically excludes inspections of licensees that are not authorized for the possession, use, or storage of byproduct material, as defined in 10 CFR 20.1003 non-Atomic Energy Act materials or licensees.
2. This procedure applies to the review of the status of radioactive materials inspection activities in NRC Regional Offices common to the NRC and the Agreement States.
3. This procedure evaluates the quantitative performance of the NRC Region or Agreement State over the review period, which is the period of time since the last IMPEP review.
4. This procedure does not apply to the status of inspections related to the non-common indicators, i.e. uranium recovery program and low-level radioactive waste program. Refer to the specific State Agreement procedure applicable to non-common indicator review. This time frame is defined as the review period.

### B. Evaluation Procedures

1. The principal reviewer should refer to Part III, (Evaluation Criteria,) of MD 5.6 for specific evaluation criteria. These criteria should be applied to the data on inspections during the entire review period, and should not focus on the status of the NRC Regional or Agreement State inspection program during only a particular portion of the review period (i.e., beginning of the review period or at the time of the review only). The Glossary in MD 5.6 defines the terms "Materials Inspections" and "Overdue Core Inspections."
2. The principal reviewer should examine any information on the status of inspections completed by the NRC Region or Agreement State during the review period.
  - a. If available, the principal reviewer should examine the inspection information contained in any computer printouts of

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~~inspection information generated from~~ the program's database; ~~and/or~~,

- b. If ~~the program does not have a database or~~ such ~~lists~~ data cannot be ~~easily retrieved or~~ provided, and/or to ~~cross-reference and verify information~~ evaluate the ~~timeliness of issuance of inspections results to licensees~~, the reviewer should examine a representative number of ~~core~~ Priority 1, 2, and 3 and ~~candidate~~ reciprocity inspection records, as well as ~~other relevant~~ documents involving inspection findings, using the following guidance:
  - i. All inspections performed since the last IMPEP review are ~~candidate~~s for review.
  - ii. The principal reviewer should perform a risk-informed sample of the program's inspections based on safety and security significance. The selected inspection casework should focus on the program's highest-risk licensees. The use of risk-informed sampling, rather than "random" sampling, maximizes the effectiveness of the review of casework. By focusing on safety and security significant actions, the reviewer has a greater probability of identifying programmatic weaknesses that would have the greatest impact on ~~public~~ health and safety of workers, the public, and the environment.
3. As part of the evaluation criteria for this indicator, the principal reviewer will determine the percentage of overdue ~~Priority 1, 2, and 3, and initial~~ ~~core~~ inspections for the review period. Appendix A contains ~~in-depth~~ guidance for the overdue inspection calculation with a sample worksheet for use by the principal reviewer.
  - a. Inspections of Priority 1, 2, and 3 licensees are considered overdue if the inspections ~~that~~ exceed the IMC 2800 frequencies plus the following applicable maximum window (25 percent of the assigned inspection interval):
    - i. Priority 1 inspections completed greater than 3 months past the inspection due date;

- ii. Priority 2 inspections completed greater than 6 months past the inspection due date; and,
  - iii. Priority 3 inspections completed greater than 9 months past the inspection due date.
- b. Initial inspections are considered overdue if the inspections were performed greater than 12 months after the date of issuance of the license.
- c. Reciprocity inspections are evaluated separately and should not be included in the calculation.
- d. The principal reviewer should use the information and definitions in ~~MD-5-6 Glossary~~ IMC 2800, definitions, for consistency, when determining the status of inspections. If the NRC Region or Agreement State defines overdue inspections using different definitions, a reasonable attempt should be made to make the calculation using the information and definitions from ~~MD-5-6~~ IMC 2800. This may ~~have to~~ be achieved by reviewing inspection casework files and applying the information to the worksheet in Appendix A. If the reviewer is unable to calculate the status of inspections using the information and ~~MD-5-6~~ definitions in IMC 2800, the reviewer may use the NRC Region's or Agreement State's data or information figures, but must note the differences in terminology or definitions in the IMPEP report.
4. The principal reviewer should attempt to ascertain the reason(s) for any overdue inspections. This can be accomplished through discussions with individual inspectors as well as Program management.

~~examine the geographic distribution of overdue inspections and note whether the numbers are disproportionate to the State-wide or Region-wide distribution of licenses.~~

5. The review should include an assessment of the issuance of inspection findings. Inspection findings should be provided to licensees within 30 days of completion of the inspection. If ~~the inspection findings are not related to items important to health and safety or security are not compromised~~, some flexibility ~~in the dispatch of inspection findings~~ may be given due to ~~certain~~ mitigating circumstances.
6. The performance of reciprocity inspections should be evaluated in comparison to the ~~requirements of criteria in IMC 1220 or alternative Agreement State policy~~.
7. While this indicator primarily focuses on quantitative performance, review of this indicator should also include a qualitative evaluation of the justifications for an Agreement State to revise its internal inspection frequencies ~~or deviate from those specified in IMC 2800~~.
8. In applying the criteria, some flexibility may be used to make the determination of the rating for this indicator. The review team should take into account the current status of the program and any mitigating factors that may have prohibited the program from conducting timely inspections during the review period. The review team's assessment should include the examination of plans to ~~perform any overdue inspections or reschedule any missed or deferred inspections~~. ~~The principle reviewer should determine that a or the basis has been established by the program for not performing any overdue inspections or rescheduling the any missed or deferred inspections~~. For example, if greater than 25 percent of the ~~core~~ Priority 1, 2, and 3, and initial inspections completed during the review period were completed overdue, yet the inspections were completed within a reasonable period of time past the due date or management took appropriate steps to work off a significant ~~inspection~~ backlog, an unsatisfactory rating may not be appropriate. In such cases, the principal reviewer should discuss the matter with the IMPEP ~~Team~~ Leader and be prepared to give justification for the rating.
9. If any significant problems or issues are identified (e.g., a preliminary finding that one or more ~~large~~ categories of licenses are ~~not~~ being inspected at a frequency that is less than that specified in IMC 2800 – a longer inspection ~~the appropriate~~ interval), the principal reviewer should immediately discuss this preliminary

finding with the Team Leader, who will ~~instruct~~ provide guidance to the reviewer on how best to obtain additional information from the NRC Region or Agreement State that might explain the situation. In most cases, a discussion with first-level Regional or State management would be the preferred option.

C. Review Guidelines

1. The response generated by the NRC Region or Agreement State to relevant questions in the IMPEP questionnaire should be used to focus the review.
2. The principal reviewer should be familiar with IMC 2800, which prescribes inspection frequencies ~~for core inspections~~. The principal reviewer should also be familiar with IMC 1220, which ~~prescribes~~ provides criteria for performing inspection frequencies for reciprocity inspections. The principal reviewer should also be cognizant of ~~any~~ any additional inspection guidance, such as Temporary Instructions, that may describe deviations in inspection frequencies. ~~additional guidance, such as Temporary Instructions, concerning inspection frequencies.~~
3. When reviewing an NRC Region, the principal reviewer should consult with the appropriate contact in the Office of ~~Federal and State Materials and Environmental Management Programs (FSME)~~ Nuclear Material Safety and Safeguards (NMSS) to obtain the most current statistical information regarding the Region's inspection performance. ~~NMSS FSME~~ compiles such data on a ~~monthly routine~~ basis and is capable of sorting overdue inspections by inspection priority and by State. In addition, ~~FSME~~ NMSS normally maintains correspondence between Headquarters and the Regions that may relate to revised inspection performance goals or other programmatic adjustments.
4. When reviewing an Agreement State, the principal reviewer should use inspection data provided by the State from the questionnaire and information provided during the on-site review. The State should not be penalized for failing to meet internally-developed inspection schedules that are more aggressive (i.e., licensees or license types that are more frequently inspected) than those specified in IMC 2800. In addition, the reviewer should be sure that overdue inspections are tallied in a consistent fashion, (i.e., counting Priority 1, 2, and 3 licensees as overdue only when the

inspection date exceeds the ~~those more than~~ 25 percent window ~~past the frequency~~ specified in IMC 2800.)

5. For inspection of reciprocity licensees, the criteria for determining candidate licensees are specified in IMC 1220, Appendix III.

D. Review Details-

To evaluate the status of materials inspections, the principal reviewer should evaluate the following:

1. The number of overdue ~~core~~ Priority 1, 2, and 3, and initial inspections;
2. The amount of time past the applicable inspection due dates for any ~~core~~ Priority 1, 2, and 3, and initial overdue inspections;
3. The reason ~~core~~ Priority 1, 2, and 3, and initial inspections were completed overdue ~~or are overdue at the time of the review~~;
4. The safety ~~or security~~ significance of ~~not performing~~ ~~canceling~~ or deferring any overdue inspections;
5. The timeliness of issuance of inspection findings to licensees;
6. The inspection frequencies used by an Agreement State and verify they are at least as frequent as those listed in IMC 2800. The principal reviewer should document any Agreement State inspection frequencies that ~~do not match those detailed in IMC 2800 for inclusion in the IMPEP report~~ result in inspections conducted less frequently than the frequencies prescribed in IMC 2800;
7. The performance of reciprocity inspections in accordance with the guidance in IMC 1220, or the details of and justification for the **NRC Region's** or Agreement State's alternative reciprocity inspection policy;
8. The NRC Region's or Agreement State's method for determining inspection timeliness and the method's consistency with IMC 2800. Certain notifications ~~by licensees~~ and ~~non-inspection~~ visits to ~~licensee facilities~~ should not be counted as inspections. For

example, telephone and written notifications should be documented, but not counted as inspections.

9. The protocol employed by the NRC Region or Agreement State to reduce ~~or extend~~ inspection ~~frequencies-intervals~~ based on licensee performance;
10. Any deviations from inspection schedules and verify that they are normally coordinated between inspectors and program management.

E. Review Information Summary

At a minimum, the summary maintained by the principal reviewer should include the following information:

1. Number of Priority 1, 2, and 3 inspections that were completed ~~on time~~ during the review period;
- ~~4-2.~~ Number of Priority 1, 2, and 3 inspections that were completed overdue during the review period, and the range of time past due the inspections were completed;
3. Number of Priority 1, 2, and 3 inspections that are overdue at the time of the review, and the range of time past due the inspections are at the time of the review;
4. ~~Number of initial inspections that were completed on time during the review period.~~
- ~~3-5.~~ Number of initial inspections that were completed overdue during the review period, and the range of time past due the inspections were completed;
6. Number of initial inspections that are overdue at the time of the review, and the range of time past due the inspections are at the time of the review;  
~~Number of initial inspections that were completed during the review period;~~
7. Number of reciprocity licensees that ~~were~~ candidates for inspection ~~for each~~ year of the review period, as described in IMC 1220 ~~or alternative Agreement State policy~~, and the number of

reciprocity inspections of candidate licensees that were completed during each year during of the review period;

8. Number of inspection findings from ~~core~~ Priority 1, 2, and 3, and initial inspections that were ~~sent~~ issued to the license more than 30 days after the inspection during the review period, or are overdue at the time of the review, and the amount of time past the proper dispatch date that the late inspection findings were sent or are overdue. The principal reviewer should also document the reason any inspection findings were dispatched late.

F. Discussion of Findings with Region or State.

The reviewer should follow the guidance given in FSME<sup>1</sup> Procedure SA-100, *Implementation of the Integrated Materials Performance Evaluation Program (IMPEP)*, for discussing technical findings with reviewers, supervisors, and management.

## VI. APPENDIXES

- A. Overdue Inspection Calculation Worksheet
- B. Frequently Asked Questions

## VII. REFERENCES

1. FSME Procedure SA-100, *Implementation of the Integrated Materials Performance Evaluation Program (IMPEP)*.
2. Inspection Manual Chapter 0610, *Nuclear Material Safety and Safeguards Inspection Reports*.
3. Inspection Manual Chapter 1220, *Processing of NRC Form 241, "Report of Proposed Activities in Non-Agreement States, Areas of Exclusive Federal Jurisdiction, and Offshore Waters," and Inspection of Agreement State Licensees Operating Under 10 CFR 150.20*.
4. Inspection Manual Chapter 2800, *Materials Inspection Program*.

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<sup>1</sup> Note that the Office of Federal and State Materials and Environmental Management Programs (FSME) merged with NMSS on October 6, 2014. Not all State procedures have been updated to reflect the new office name of NMSS. In the interim, current procedures will still be referenced as FSME State Procedures until such time as they are reviewed and revised to include the official office name. All procedures may be found on the NMSS external website under "Resources and Tools," and then "NMSS Procedures."

5. NRC Management Directive 5.6, *Integrated Materials Performance Evaluation Program*.
6. NRC Management Directive 5.10, *Formal Qualifications for IMPEP Team Members*.

#### **VIII. ADAMS REFERENCE DOCUMENTS**

For knowledge management purposes, listed below are all previous revisions of this procedure, as well as associated correspondence with stakeholders, that have been entered into the NRC's Agencywide Document Access Management System (ADAMS).

<b>No.</b>	<b>Date</b>	<b>Document Title/Description</b>	<b>Accession Number</b>
1	10/24/02	STP-02-074, Opportunity to Comment on Draft Revisions to STP Procedure SA-101	ML022970629
2	1/24/03	Summary of Comments on SA-101	ML031130704
3	4/4/03	STP Procedure SA-101	ML031080519
4	4/19/07	FSME-07-037, Opportunity to Comment on Draft Revisions to FSME Procedure SA-101	ML071090427
5	6/14/07	<a href="#">Summary of Comments on SA-101</a>	<a href="#">ML072160015</a>
6	7/23/07	<a href="#">FSME Procedure SA-101</a>	<a href="#">ML072160012</a>

## Appendix A

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### Overdue Inspection Calculation Worksheet

Guidance for calculating the number of overdue ~~core~~ inspections:

1. ~~Inspections considered in the calculation are Core inspections include~~ Priority 1, 2, and 3 inspections and all initial inspections. An ~~core~~ inspection will be considered overdue if it falls under one of the following cases:
  - a. A Priority 1 inspection completed greater than 3 months past the inspection due date (15 months total);
  - b. A Priority 2 inspection completed greater than 6 months past the inspection due date (30 months total);
  - c. A Priority 3 inspection completed greater than 9 months past the inspection due date (45 months total)
  - d. An initial inspection ~~completed greater than 1 year from the date of license issuance~~
2. Inspections are always compared to NRC priorities in IMC 2800.
3. Multiple ~~over~~due inspections for the same licensee are counted as a single event. Depending on the Priority, ~~there may be reviewer could expect to have~~ more than one inspection for a specific licensee conducted during ~~the review a~~ ~~four-year~~ period. However, if more than one inspection is significantly overdue and/or not yet completed, the principal reviewer should count them as one missed or overdue inspection, but should note examples of the overdue ranges for the IMPEP report.

For example, ~~if~~ only one inspection was conducted for a Priority 1 licensee during a four year period, ~~—F~~for the purpose of the overdue inspection calculation, this would be considered ~~one (1)~~ overdue inspection and the reviewer should note the number of months exceeding the 15 month period. Even though the inspection could be overdue 30 months, it would still be counted as ~~one (-1)~~ overdue inspection.

4. The percentage of overdue inspections during the review period should be calculated as follows:

$$\% \text{ overdue} = 100 \times$$

Number of ~~core~~ Priority 1, 2, and 3 and initial inspections not completed on time ~~by per~~ NRC  
IMC 2800

Number of Priority 1, 2, and 3 and initial ~~core~~ inspections that should have been completed

To determine the numerator and denominator Or, to break it down, if:

$$\% \text{ overdue} = 100 \times \frac{(PCO + PU + ICO + IU)}{(PCO + PU + ICO + IU + PC + IC)}$$

Where:

PCO = number of Priority 1, 2, and 3 inspections completed overdue during the review period

PU = number of Priority 1, 2, and 3 inspections overdue at the time of the review

PC = number of Priority 1, 2, and 3 inspections completed on time during the review period

ICO = number of initial inspections completed overdue during the review period

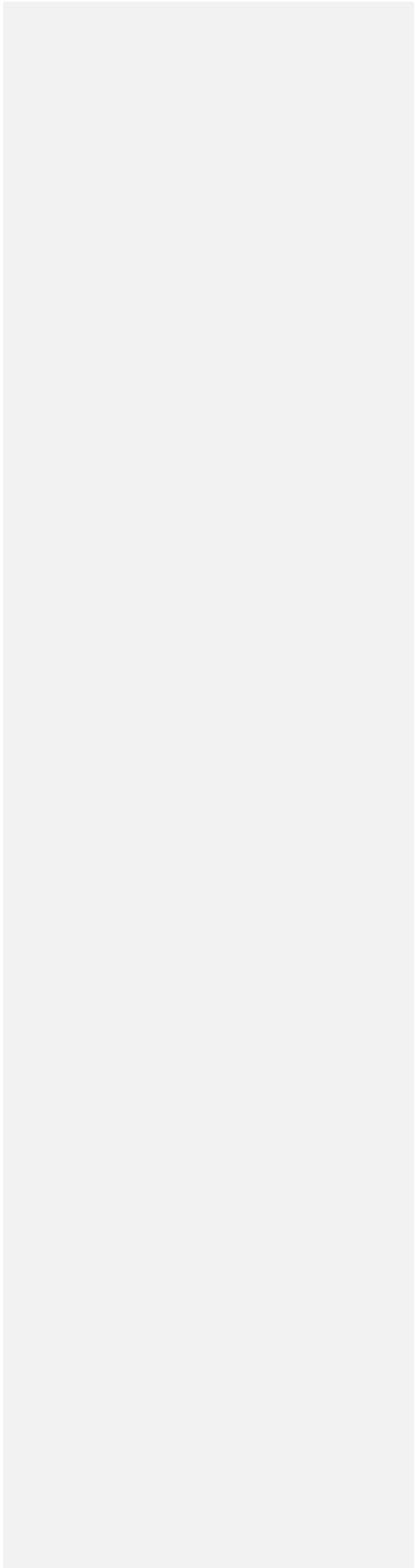
IU = number of initial inspections overdue at the time of the review

IC = number of initial inspections completed on time during the review period

Then:

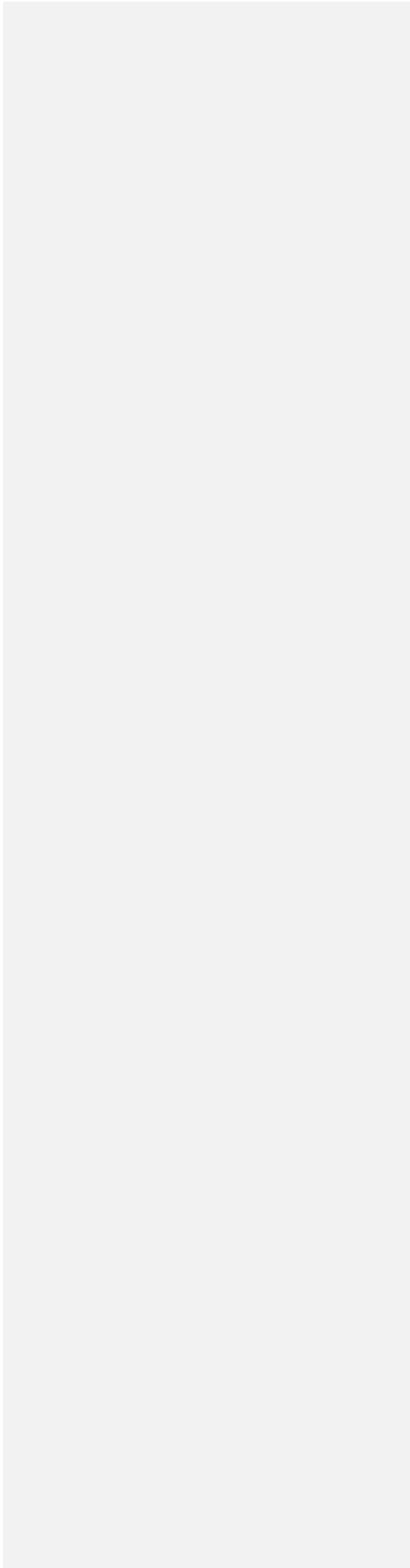
$$\% = 100 \times \frac{PCO + PU + ICO + IU}{PCO + PU + ICO + IU + PC + IC}$$

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5. The following is a sample calculation:

Say the Program performed 80 Priority 1, 2, and 3 inspections on time during the review period and ten (10) Priority 1, 2, and 3 inspections were performed overdue during the review period. Additionally, at the time of the review there was two (2) Priority 1, 2, or 3 inspections that are still overdue. The Program performed ten (10) initial inspections on time during the review period and performed five (5) initial inspections overdue during the review period. At the time of the review, there was one (1) initial inspection that was still overdue.

$$\begin{array}{l} \text{PCO} = 10 \\ \text{PU} = 2 \end{array} \quad \begin{array}{l} \text{PC} = 80 \\ \text{ICO} = 5 \end{array} \quad \text{IU} = 1 \quad \text{IC} = 10$$

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So:

$$\% = 100 \times \frac{(\text{PCO} + \text{PU} + \text{ICO} + \text{IU})}{(\text{PCO} + \text{PU} + \text{ICO} + \text{IU} + \text{PC} + \text{IC})}$$

$$= 100 \times \frac{(10 + 2 + 5 + 1)}{(10 + 2 + 5 + 1 + 80 + 10)}$$

$$= 100 \times \frac{18}{108} = 16.7\%$$



## Appendix B

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### Frequently Asked Questions

- Q1: Is there any leniency to counting overdue inspections of Priority 1, 2, and 3 licensees as the NRC IMC 2800 frequency plus 25 percent?
- A1: ~~In the past, we have allowed two days to compensate for a weekend. For anything more than two days~~ No. For Priority 1, 2, and 3 inspections completed over the 25 percent, the inspection should be considered overdue and documented as such in the calculation. Review teams may take other mitigating factors into consideration and describe them in the narrative portion of the report as appropriate.
- Q2: If a program inspects a Priority 1 licensee only once in a 3-year period, why do we only count that as one overdue inspection?
- A2: Our policy is to credit the program for the inspections they perform, yet keep track of how late overdue inspections were eventually conducted. Thus, inspections that “should have been performed” are not double or triple counted in the calculation, but the reviewer should document how late the overdue inspection was performed or if it is still overdue at the time of the review.
- Q3: How important is the overdue inspection calculation to the rating for this indicator? For example, what if the number of overdue inspections turns out to be just under or over 25 percent?
- A3: The overdue inspection calculation is just one piece of information that the review team uses to determine the appropriate rating for this indicator. Regardless of how close a calculation is to 25 percent (or 10 percent), the review team should take the program’s overall performance involving the other aspects of this indicator, the root cause of the overdue inspections, and the program management’s actions to address the issues into account when determining an appropriate rating for this indicator.
- Q4: What if the data necessary to perform the overdue calculation is not easy to get or determine?
- A4: In this case, the review team should sample as many inspections as possible to help determine the rating for this indicator and note in the report that only a sampling was performed. This means that the team members will need to pull files and get-review information from inspection reports. The review team will need to document in the report the values and assumptions used for the overdue

calculation based on the sampling. If possible, the review team should include in the report the total number of ~~core~~ Priority 1, 2, and 3 inspections as well as the number of initial inspections conducted by the program during the review period ~~State in the report~~. Additionally, if possible, the review team should include in the report the number of Priority 1, 2, and 3, and initial licensees that are were overdue for inspection at the time of the review.

Q5: What if a State deviates from the inspection frequencies prescribed in IMC 2800?

A5: Overdue inspections are not determined based on the inspection frequencies established by any Agreement State. The inspection frequencies in IMC 2800 are used as the baseline metric for determining if an inspection is overdue. A number of Agreement States have more aggressive inspection schedules than those prescribed in IMC 2800. In cases where an Agreement States inspection frequency is less stringent than IMC 2800, the review team should note the difference(s) and determine if there are performance issues. Several States have set less stringent frequencies for certain categories of licensees. The State needs to have a documented rationale for the difference(s) and the Management Review Board will make the final determination if public health and safety are jeopardized based on the difference(s).

Q6: What if a State conducted many ~~core~~ Priority 1, 2, and 3, and initial inspections overdue during the review period as a result of staff turnover, but have caught up on all the overdue inspections at the time of the review?

A6: If a State ~~presently~~ has no ~~backlogged~~overdue inspections at the time of the review, and ~~has previously~~ addressed the root cause of the overdue inspections and ~~took management action to address and solve the issue~~, then there may not be any performance issue and as such, a finding of satisfactory may be appropriate (also taking into consideration the other factors for this indicator). However, if the State has not addressed the root cause of the overdue inspections, or has not developed a management plan or other effort to address the issue, then a rating of satisfactory, but needs improvement, or unsatisfactory may be appropriate (also taking into consideration the other factors for this indicator). Additionally, review teams may make specific recommendations to address these types of performance issues.

~~Q: What if an established licensee has a name change only, should the reviewer consider the first inspection to be conducted under the new name as an initial inspection?~~

~~A: If a licensee has only had a name change and is issued a new license, even under a change of ownership or transfer of control, an initial inspection is not required unless the organization controlling the licensed activities changes~~

## Appendix B (continued)

~~substantially; the licensee significantly increases the types, quantities, or forms of materials on the license; the licensee significantly increases the different uses authorized on the license; the licensee significantly increases the number of authorized users; or, the new license authorizes one or more new facilities.~~

Q7: For the initial inspections, are only Priority 1, 2, and 3 licensees counted in the calculation?

A7: No. When determining the number of initial inspections performed or overdue, all initial inspections must be included. This includes initial inspections of all priority codes, including Priority 5.