

STATE OF COLORADO

Bill Ritter, Jr., Governor
Martha E. Rudolph, Executive Director

Dedicated to protecting and improving the health and environment of the people of Colorado

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Colorado Department
of Public Health
and Environment

May 27, 2010

Aaron T. McCraw, IMPEP Project Manager
Agreement State Programs Branch
Division of Materials Safety and State Agreements
Office of Federal and State Materials and Environmental Management Programs
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Re: Draft Report on the IMPEP Review of the Colorado Agreement State Program.

Dear Mr. McCraw:

We have reviewed the NRC's draft IMPEP report for Colorado based on the review conducted in Colorado on April 12-16, 2010. We find the report to accurately reflect the review process conducted and the state of the Colorado radioactive materials program.

We have identified one possible correction that needs to be made to the draft report. In reviewing File No. 13 listed on page 39 of the report, we found that the information provided does not meet the information we have for the incident that is described. We believe the file that was reviewed was Conam Inspections, License No. 963-01, Date of Incident: 10/30/07, Incident Log No.: I07-16, Investigation Date: 10/30/07. We have no other corrections or changes to suggest.

You have requested that we respond to the five recommendations listed in the report. Our initial responses are provided below:

- 1. The review team recommends that the State develop and implement a policy and procedure for the handling, marking, transmitting, and storing of documents containing sensitive information. (Section 3.3)*

Response: Colorado has developed a procedure for handling sensitive information and will be fully implementing the policy (including conducting staff training) by July 1, 2010. The new procedure includes the following changes:

- The procedure contains a definition of sensitive information that includes four types: proprietary, medical records (including dose records), personally identifiable information and security-related.

- All four types of sensitive documents will be marked individually as sensitive. This includes unit-generated documents and documents that licensees send us.
- Licensees will be sent a letter discouraging them from sending us unnecessary sensitive information and instructing them to mark sensitive documents that they send us.
- We will control access to security related sensitive documents by moving the IC and NSTS licenses to a separate file cabinet in the file room that will be locked. Only unit staff and those who do filing will have access.
- Similarly, reciprocity and incident/allegation files will be locked up, probably in the cabinet they are currently housed in.
- Unit staff will be required to lock up licenses containing sensitive information at night instead of leaving them on their desk.

2. *The review team recommends that the State evaluate its license termination and decommissioning processes to ensure that reviews are appropriate, thorough, and consistent. (Section 3.4 of the 2006 IMPEP Review) (Modified in 2010)*

Response: Colorado is reviewing its license termination and decommissioning processes and will be fully implementing changes (including conducting staff training) by August 1, 2010. The changes to procedures will include the following items:

- The termination application will be revised to ensure that licensees are submitting all records required by regulations.
- Templates will be developed to thoroughly and consistently document termination activities.

3. *The review team recommends that the State develop and implement guidance that outlines the roles and responsibilities for staff and the expectations regarding record retention to ensure that the Program's files are complete and comprehensive. (Section 3.4)*

Response: Colorado is developing a procedure for documentation and recordkeeping and will be fully implementing changes (including conducting staff training) by August 1, 2010. The changes to procedures will include the following items:

- The procedure will clearly define roles and responsibilities for record retention.
- Technical staff will more clearly and consistently mark file locations on documents.
- Technical staff will review each file upon completion of an inspection or licensing action to ensure that documents are not missing or improperly filed.

4. *The review team recommends that the State review its implementation of the prelicensing guidance to ensure that all of the essential elements of the guidance are consistently met. (Section 3.4)*

Response: Colorado is reviewing its prelicensing procedure and will be fully implementing changes (including conducting staff training) by July 1, 2010. The new procedure will closely parallel the NRC prelicensing guidance. The changes to the procedure will include the following items:

- A checklist will be developed to document prelicensing reviews.
- A prelicensing site visit will be required for all unknown entities.

5. *The review team recommends that the State establish a means to ensure that SS&D evaluations are appropriately documented and conducted with thoroughness; consistency with the current version of NUREG-1556, Volume 3; and adherence to existing guidance in product evaluations. (Section 4.2.2)*

Response: Colorado has developed a tracking system for all SS&D actions. Before September 1, 2010, an evaluation of each Colorado SS&D certificate will be performed to ensure that all certificates are in the proper status including performing any additional inactivations that are necessary. Additionally, a procedure for performing SS&D evaluations has been developed that will be fully implemented (including conducting staff training) by August 1, 2010. The procedure includes the following changes:

- The procedure emphasizes that all SS&D evaluations will be completed as described in NUREG 1556, Vol. 3, Rev.1.
- The procedure requires the NUREG checklist to be used to document every SS&D evaluation.
- Instead of including the SS&D information in the regular license file, each SS&D certificate will have its own file in a separate filing cabinet. In the file will be all of the issued certificates, the docket and review sheets and the supporting documentation.

We will provide updates to our progress on these recommendations at the annual program review meetings or as appropriate.

I would like to observe that Colorado staff involved in the IMPEP review were universally complementary of the NRC and Agreement state staff conducting the review. Most staff found the experience challenging, but surprisingly enjoyable. The reviewers were noted as knowledgeable, extremely thorough, pleasant to work with, and genuinely interested in our program and in identifying potential improvements. As a result of this interaction, we have already implemented many of the ideas identified during the review which we believe add value to our program.

We appreciate the effort you have put into this process. We will be sending Jennifer Opila, Radiation Management Unit Leader to the Colorado MRB meeting on June 23rd. Should you have any questions or additional comments, please contact me Steve Tarlton at 303-692-3423 or Jennifer Opila at 303-692-3403.

Sincerely,



Gary W. Baughman, Director
Hazardous Materials and Waste Management Division

CC: Steve Tarlton, Manager
Radiation Control Program

Jennifer Opila, Unit Leader
Radiation Management Unit