



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
61 FORSYTH STREET SW SUITE 23T85
ATLANTA, GEORGIA 30303-8931

July 10, 2002

Mr. T. Pearce O'Kelley, Chief
Bureau of Radiological Health
Health Regulation
Department of Health and Environmental Control
2600 Bull Street
Columbia, SC 29201

Dear Mr. O'Kelley:

A periodic meeting with South Carolina was held on June 11, 2002. The purpose of this meeting was to review and discuss the status of South Carolina's Agreement State program. The NRC was represented by Mr. Lance J. Rakovan and Mr. Alvin Henry from the NRC's Office of State and Tribal Programs, and me. Specific topics and issues of importance discussed at the meeting included program strengths, staffing and training, performance of licensing and inspection activities, reporting of events, and the updating of regulations for compatibility.

As we discussed during the meeting, we also met with Mr. Henry J. Porter, Assistant Director, Division of Hazardous, Infectious, and Radioactive Waste Management, during the morning of June 11, 2002. The enclosed meeting summary includes our discussions with both organizations and documents specific actions that will be taken as a result of the meeting. A copy of this meeting summary is also being provided under separate cover to Mr. Porter for his review.

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 404-562-4704, or e-mail to rlw@nrc.gov to discuss your concerns.

Sincerely,

/RA/
Richard L. Woodruff
Regional State Agreement Officer

Enclosure: As stated

cc w/encl:
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AGREEMENT STATE PERIODIC MEETING SUMMARY FOR SOUTH CAROLINA
BUREAU OF RADIOLOGICAL HEALTH and RADIOACTIVE WASTE SECTION

DATE OF MEETING: June 11, 2002

ATTENDEES:

NRC

Richard L. Woodruff, RSAO, Region II
Lance J. Rakovan, ASPO, STP
Alvin Henry, Rotational Assignment, STP

STATE

Pearce O'Kelley, Chief, Bureau of Radiological Health (BRH)
James K. Peterson, Director, Radioactive Materials Division, BRH
John T. Litton, Director, Division of Hazardous, Infectious and Radioactive Waste
Management (abbreviated, RWM)
Henry J. Porter, Assistant Director, (RWM)
Rodney Wingard, Manager, Radioactive Waste Section, (RWM)

DISCUSSION:

A meeting was held with the RWM representatives during the morning of June 11, 2002, and with the BRH representatives during the afternoon of June 11, 2002. During the meetings, the topics listed in NRC letters dated April 30, 2002, to Mr. Porter, and to Mr. O'Kelley were discussed. Details for each area are discussed below.

Action on Previous Review Findings

The previous review (IMPEP) was conducted on July 12-16, 1999. During this review, three recommendations were made to the State as follows:

1. The review team recommends that the State provide training to technical personnel, either by formal course work or equivalent, in the areas of medical brachytherapy and irradiator technology. (Section 3.3)

Status: One BRH person has completed the course on Teletherapy and Brachytherapy, and another BRH person has completed the Irradiator Technology course. We recommend this item be closed.

2. The review team recommends that the State revise their incident and allegation procedures to incorporate appropriate elements following NRC guidance documents. (Section 3.5)

Status: The BRH revised their Incident and allegation procedures following the review and a copy was provided to the NRC at the time of the Management Review Board meeting held on October 6, 1999. We recommend this item be closed.

Enclosure

3. The review team recommends that the State obtain copies of the engineering drawings for the SC-0679-D-101-S registered device, and review the drawings for accuracy with the original application, and maintain them in their files. (Section 4.2.1)

Status: The BRH managers related during the meeting that copies of the engineering drawings for the SC-0679-D-101-S device registry had been obtained and were on file. We recommend this item be closed.

Program Strengths and/or Weaknesses

In general, both BRH and DWM representatives related that their programs were strong, with adequate support from the Department of Health and Environmental Control (DHEC), legislative support, stable sources of funding, legal support, good equipment, and fully staffed. No performance type weaknesses were identified by NRC during this meeting.

The managers identified one area of concern. There have been two cuts in the budget since the IMPEP review. The reductions have not adversely affected the Radioactive Waste Section but has had considerable affect on the operations of the Bureau of Radiological Health since most of the Bureau's funds are appropriated by the legislature.

The BRH managers project that there will be no loss of staffing in the materials area, that any staffing losses will be absorbed in other areas of the program. Currently, the Bureau staffing level is down by four positions. The Bureau will have monies for in-state travel, but monies for training will be limited, and the Bureau may not be able to replace equipment. The Bureau has implemented two fee increases but only materials fees can be retained for the materials program. The State is on a July 1 - June 30 fiscal year. The FY 03 budget will be about 5% below the current budget.

The Radioactive Waste Section is about 90% supported by fees and has not been affected by the State budget cuts as the BRH. Managers reported that the State's Long Term Care fund had grown to about \$100 million, before the State Legislature started borrowing money from it. Managers reported that \$38.5 million was borrowed during the previous FY, and \$48.7 million during this FY. Funds are to be paid back at the rate of \$5 million per year beginning next year.

The NRC representatives requested that the managers keep the STP apprised of the actions taken and the impacts on the agreement program.

Status of Program and/or Policy Changes

There have been no major changes in the staffing of either the BRH or RWM organizations since the last review. BRH and RWM both are organized under the Department of Health and Environmental Control (DHEC). The DHEC organization is divided into two major areas, Health Regulation and Environmental Quality Control. BRH is under Health Regulation, and RWM is under Environmental Quality Control.

BRH has two Divisions , the Division of Radioactive Materials, and the Division of Electronic Products. The Radioactive Materials Division has six persons and reported that they regulate approximately 348 specific licensees which includes 116 core licenses, and that the Division is not experiencing any licensing or inspection backlogs at this time.

The Radioactive Waste Management Section has nine persons that regulate the Barnwell low-level radioactive waste site and about 13 other waste related facilities. RWM also reported no problems with licensing or inspection backlogs and that the Barnwell site was under timely renewal. Mr. Autry is working part-time as a waste consultant, and is involved with the Barnwell license renewal. Kevin Strickland is the new Barnwell LLRW site inspector. The waste site was discussed in general and managers related that the site now accepts waste from all States (other compacts) through the year 2008. Next FY, the site can accept 70,000 cubic feet of waste, and there will be no allocation. The cost for disposal is published on the web site. The RWM reported that the site is continuing to experience good compliance.

The RWM managers discussed an issue with the bankruptcy of the Starmet licensee, which has been in bankruptcy since March 26, 2000. Starmet has been cited for numerous violations over the past couple of years. Two orders have been issued in the past year, prohibiting Starmet from receiving additional radioactive material because they had reached their possession limits, to reduce their inventory, clean up the site, and for the remediation of ponds. The order also identified that the amount of financial assurance was not adequate to cover the cost of decommissioning. The assurance fund currently has about \$3 million in letters of credit, and the State estimates that the D & D cost to be \$10 to \$13 million. This concern was identified to the State CERCLA program and the EPA. The managers agreed to keep NRC apprised of any developments with this issue.

The RWM managers also related that the ATG cask facility was in bankruptcy, but the financial assurance fund appeared to be adequate.

Impact of NRC Program Changes

The NRC representatives discussed NRC program changes that could impact the State, such as the National Materials Working Group, decommissioning of sites, updating of regulations, the reporting of events, self assessments, and the next IMPEP projected for 2003. The Region II listing for Radiation Control Program Officials was reviewed for accuracy and telephone numbers were updated.

Status of Allegations and Allegations Previously Referred

The NRC allegation program was discussed in general with the State representatives. The BRH and the RWM related that there had been no allegations since the previous review, and that allegations are processed on a case-by-case basis, and that follow ups were conducted as needed to close out the issue. NRC representatives noted that there had been only two allegations referred to the State by NRC since the last review, one to the RWM and one to the Health Hazards Evaluation office.

Nuclear Material Events Database (NMED) Reporting

A general discussion was held with BRH and RWM concerning the NMED reporting system. Both organizations have persons trained in the reporting system and indicated that events are being reported as they occur, and no problems or issues were identified with the reporting system. RWM staff work with the BRH staff on the reporting of events.

Prior to the meeting, NRC representatives printed a listing of all events (6) reported by South Carolina since the last review including the event details, and no issues were identified.

Compatibility of State Regulations

South Carolina is unique in that regulations that are required for compatibility can be adopted administratively, and without State legislative approval. Other regulations such as fees must be approved by the legislature. This State policy has allowed the agreement program to quickly adopt regulations needed for compatibility and thus remain compatible over the years.

The BRH and the RWM have an inter-departmental agreement that addresses policies and functions of the respective offices, including the regulation adoption process. The BRH takes the lead for drafting regulations for the agreement program, except for those regulations that are specific to radioactive waste type facilities. Both offices utilize a concurrence system for approval of draft regulations.

The latest chronology of amendments as listed on the State Regulation Status (SRS) tracking system was provided to both the BRH and RWM, and the adoption of regulations was discussed. The State is up to date on their regulation adoption.

Schedule for the Next IMPEP Review

Both offices were informed of the next review under the IMPEP procedure scheduled for FY 2003. The offices were also advised of the advantages of conducting a self assessment utilizing the IMPEP procedure. NRC representatives noted the excellent participation of the Radioactive Materials Division manager on the IMPEP teams.

CONCLUSIONS:

Conclusion #1: Both BRH and DWM have well trained, experienced staff, and their programs by all indications have the resources to be on target, adequate and compatible under the IMPEP criteria. Actions on previous comments have been taken and are being implemented.

No additional action is necessary.

Conclusion #2: STP and the Regional State Agreements Officer need to monitor the actions taken by BRH with regard to the anticipated reduction of their budget and the effects on the program.

No action needed at this time, the BRH Chief will keep NRC apprised of the programmatic impacts of the reduction efforts.

Conclusion #3: The State agreed to keep NRC informed on the status of the Starmet issue.