



U.S. NRC

UNITED STATES NUCLEAR REGULATORY COMMISSION

Protecting People and the Environment

Radioactive Materials Security and Licensing

Commission Briefing

September 4, 2007

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Region I, DNMS

Outline

- Actions to Improve Security (2001-2007)
- GAO Investigation and Senate Hearing
- Recommendations
- Action Plan to Further Improve Security

Actions to Improve Security (2001-2007)

- Staff Has Improved Security Posture to Reflect Post-9/11 Environment
- Security Assessments in 2002
- Materials Security Working Group
- Orders to Improve Security

Actions to Improve Security (2001-2007)

(Continued)

- Consistently Employed Risk-Informed, Graded Approach
- Highest Risk Sources Considered First
- Graded Requirements

2007 GAO Investigation

- Formed Bogus Company and Obtained NRC License
- Altered NRC License
- Two Suppliers Agreed to Sell Material
- Parallel Attempt to Obtain Agreement State License Aborted When Notified of Site Visit

Short Term Actions Taken

- Discussed with GAO Investigators
- Terminated the NRC License
- Stopped Issuing New NRC Licenses Until Interim Guidance Issued
- Pre-Licensing Visits or Meetings for New Applicants
- Restarted Pre-Licensing Working Group

Short Term Actions Taken

- Coordinated with Federal and State Partners
- Performed Consequence Assessment and Shared with GAO
- Retrospective Examination to Assure Licensees are Legitimate

GAO Recommendations

- Mandatory Pre-Licensing Visits
- Periodic Oversight of License Reviewers
- Explore Prevention of License Counterfeiting

Senate Staff Recommendations

- Permanent Subcommittee on Investigations:
 - Reevaluate “Good Faith” Presumption
 - Regulate Category 3 More Closely
 - Ensure Only Authorized Persons Get Radioactive Material

OIG Recommendation

- Independent External Panel to:
 - Identify Vulnerabilities in Material Licensing
 - Validate the Agency's Byproduct Material Security Efforts

Commission SRM

- Aug. 17, 2007
- Comprehensive Plan by Sept. 4, 2007
- Needed Changes in Licensing Process
- Include Short Term Actions

Action Plan Overview

- External Review
- Pre-Licensing Working Group
- Materials Program Working Group
- NSTS and WBL
- General Licenses and Outreach
- Agreement State Partnership

External Review Panel

- Three Independent Experts
- 120 Days to Review Licensing Process
- Identify Vulnerabilities and Effectiveness
- Review “Good Faith” Presumption

Pre-Licensing Working Group

- Reconstitute 2005-2006 Working Group
- Regional and Agreement State Co-Chairs
- To Develop Revised Guidance on Pre-Licensing Reviews and Visits
- Product due November 30, 2007

Materials Program Working Group

- FSME and Agreement State Co-Chairs
- Regional Participation
- Develop and Evaluate Solutions to:
 - Verification of Authorization
 - Counterfeiting
 - General Licenses

Materials Program Working Group

- Review Results of External Review
- Comprehensive Program Assessment
 - Pre-Licensing Guidance (Broader Look)
 - Not Limited to Licensing
 - IMPEP Process
- Reports/Recommendations Phased Over Next Year

NSTS and WBL

- Expand Rulemaking to Consider Smaller Sources (Category 3.5)
- Interface between NSTS and WBL
 - Effective Solution for Assuring Authorization
 - Impact for the Agreement States
- Partner with Agreement States to Achieve Broad Participation

General Licenses

- Staff-Identified Vulnerability
- Short-term Action Will be Developed
- Framework Review
- Ongoing Rulemaking

Resources

FY08 Unbudgeted		FY09 Unbudgeted	
FTE	\$(Thousands)	FTE	\$(Thousands)
15.5	2,580	12.0	8,260

Staff's Plan

- Comprehensive and Responsive
- Short-term, Mid-Term and Long-Term Actions
- Independent, External Program Review
- Comprehensive Internal Assessment

Acronyms Used

- DNMS – Division of Nuclear Materials Safety
- GAO – Government Accountability Office
- FSME – Office of Federal and State Materials and Environmental Management Programs
- WBL – Web-Based Licensing
- NSTS – National Source Tracking System
- SRM – Staff Requirements Memorandum