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NUCLEAR REGULATORY COMMISSION

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CATEGORY 3 SOURCE SECURITY AND ACCOUNTABILITY

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WEBINAR

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TUESDAY,

FEBRUARY 21, 2017

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The Webinar met telephonically at 1:00 p.m., George Smith, Facilitator, presiding.

PRESENT:

GEORGE SMITH, Facilitator

SABRINA ATACK, Branch Chief, Source Management and
Protection

MARGARET CERVERA, Health Physicist

DUNCAN WHITE, Senior Health Physicist

IRENE WU, Project Manager

ALSO PRESENT:

LISA LONDON, NRC OGC

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P-R-O-C-E-E-D-I-N-G-S

1:03 p.m.

1
2
3 MS. ATACK: Thank you. Hi, my name is
4 Sabrina Atack. I'm the Chief of the Source Management
5 and Protection Branch at the NRC in the Office of Nuclear
6 Material Safety and Safeguards.

7 I'm going to kick off today's meeting. And
8 I do want to thank you for your participation in the
9 webinar where our focus is on the reevaluation of
10 Category 3 Source Security and Accountability.

11 The Commission directed us to look at this
12 and specifically tasked the staff to collaborate with
13 stakeholders to fully assess the regulatory impact of
14 changing existing regulations with respect to source
15 security and accountability.

16 I do want to note as we kick off this meeting
17 that the results of this reevaluation are not
18 predetermined. And we're a long way from changing
19 existing regulations.

20 We're in the early stages of performing
21 this evaluation. And we have a lot of work to do before
22 we make any recommendations for Commission
23 consideration.

24 As we said earlier, the Commission
25 recognized how important stakeholder feedback is in

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1 this effort. So, this webinar is part of a series of
2 public meetings and webinars that we're hosting during
3 the comment period for this evaluation.

4 We recognize there's a lot of interest in
5 this reevaluation effort from within and outside the
6 NRC. So, we do want to acknowledge that we value your
7 participation and involvement. And look forward to
8 hearing your feedback.

9 With that I'll turn the meeting over to
10 George Smith, our Facilitator for today's meeting.

11 MR. SMITH: Good afternoon. Thank you,
12 Sabrina. I'd like to thank you also for participating
13 in today's webinar on Category 3, Source Security and
14 Accountability.

15 My name is George Smith. And I'll be the
16 Facilitator for today's meeting. We also have members
17 of the NRC Agreement States Category 3 Source Security
18 and Accountability Working Group in attendance here in
19 the room and on the phone that may ask clarifying
20 questions to ensure we accurately capture your
21 comments.

22 Please make sure you are logged into the
23 webinar in order to follow along with the slide
24 presentation. If you have not registered for the
25 webinar, the webinar registration information is

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1 available in the public meeting notice of the NRC Public
2 Meetings website.

3 A copy of the slides used in today's meeting
4 will be made available on the Category 3 website -- web
5 page located on the NRC website.

6 The agenda for this meeting is as follows:
7 first we will go over the public comment process. Next,
8 we will give a brief background on how we got here and
9 why we're asking for your input.

10 Then we will go over the different comment
11 areas. And then open the phone lines in the webinar to
12 comment on each of the questions in the Federal Register
13 Notice.

14 At the end of the meeting, we will provide
15 information on the remaining Category 3 Source Security
16 and Accountability public meetings and webinar dates.
17 And then close the meeting.

18 This is a Category 3 public meeting. Which
19 means we will be soliciting feedback to ensure your
20 issues and concerns are presented, understood and
21 considered by the NRC.

22 This meeting is being transcribed to
23 accurately capture your comments. Your comments
24 during the public meeting and those submitted to the NRC
25 will be considered by the NRC in preparing

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1 a report to the Commission as directed by the Staff
2 Requirements Memorandum for COMJMB-16-0001.

3 The NRC does not plan to provide specific
4 responses to stakeholder feedback during this meeting.
5 So basically we are specifically soliciting comments
6 during today's meeting.

7 Please do not provide non-public, official
8 use only safeguards and/or classified information
9 related to a specific facility.

10 The Operator will place you in a queue if
11 you have comments regard -- at today's meeting. The
12 Operator will inform you when you are being allowed to
13 present your comments.

14 If you do not have the opportunity to
15 provide comments today, or if you have additional
16 comments, please submit your comments to the NRC by
17 March 10, 2017 via <http://www.regulations.gov> for
18 Docket ID NRC-2016-0276.

19 And if you look on this slide, we should
20 have that -- the website too soli -- to submit that
21 information. And it's also in the Federal Register
22 Notice.

23 Or you can just mail comments to Cindy Bladey,
24 Office of Administration, Mail Stop OWFN-12-H08, United
25 States Nuclear Regulatory Commission,

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1 Washington, D.C. 20555-0001. Please include the
2 Docket ID, NRC-2016-0276 in the subject line of your
3 submission.

4 I will now turn it over to Irene Wu who will
5 provide you some background information.

6 MS. WU: All right. Thank you, George.
7 My name is Irene Wu. And I am a Project Manager at the
8 Nuclear Regulatory Commission, and the Co-Chair of the
9 NRC Agreement State Working Group that is conducting
10 this reevaluation.

11 As you may know, the Commission issued a
12 Staff Requirements Memorandum for COMJMB-16-0001 dated
13 October 18, 2016, which directed the NRC staff to take
14 specific actions to evaluate whether it is necessary to
15 revise NRC regulations or processes governing Category
16 3 Source Protection and Accountability.

17 However, this is not the first time that we
18 have reviewed strategies for the protection and
19 accountability of Category 3 sources.

20 In 2007, the Government Accountability
21 Office, or GAO, conducted an investigation on NRC's
22 Materials Licensing Program. And was able to obtain a
23 radioactive materials license using a fictitious
24 company, and placed orders that would have resulted, if
25 actually obtained, in receipt of an aggregated

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1 Category 3 quantity of radioactive materials.

2 After the 2007 investigation, the NRC and
3 Agreement States made a number of significant changes
4 to strengthen the licensing and regulatory processes to
5 prevent individuals who may have malevolent intent from
6 obtaining a radioactive materials license.

7 In 2009, licensees began reporting
8 Category 1 and 2 source information to the National
9 Source Tracking System or NSTS. Staff has proposed to
10 expand reporting to the NSTS to include Category 3
11 sources.

12 However, the Commission did not reach a
13 decision on the proposed rulemaking. And the final
14 rule was not approved.

15 In 2014, GAO initiated another audit of the
16 Materials Licensing Program to determine whether the
17 licensing vulnerabilities identified in its 2007
18 investigation had been addressed by the NRC and
19 Agreement States.

20 As part of its audit, GAO rented
21 storefront, warehouse space to demonstrate a fictitious
22 company's legitimacy during pre-licensing visits. The
23 GAO was successful in one of three attempts, and
24 acquired a license for a Category 3 well logging source,
25 which they used to place one order for

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1 a Category 3 source.

2 GAO then altered the license and used it to
3 place a second order for an additional Category 3
4 source. In doing so, GAO effectively demonstrated the
5 ability to obtain an aggregated Category 2 quantity of
6 material, although at no point in the investigation were
7 radioactive materials actually shipped to the
8 fictitious company.

9 GAO published its final report for the
10 material licensing audit and investigation in July
11 2016. In August 2017, we plan to submit a notation vote
12 paper to the Commission with our recommendations.

13 It is also relevant to note that recently
14 we completed our comprehensive review of 10 CFR Part 37,
15 which are the physical protection requirements for
16 Category 1 and 2 quantities of radioactive material.

17 That report, which is publically
18 available, was sent to Congress in December 2016. And
19 the results of that assessment will inform our
20 evaluation of Category 3 source security and
21 accountability which is currently underway.

22 That was a quick high level overview of how
23 we got here. On the slide I have included some
24 resources if you want to delve further into the
25 background. Next slide, please.

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1 Specific tasks outlined in SRM-COMJMB-16-0001
2 that will be addressed in the notation vote paper are
3 as follows: an evaluation of the pros and cons of
4 different methods of verifying the validity of a license
5 prior to transfer.

6 An evaluation of the pros and cons of
7 including Category 3 sources in the NSTS. An
8 assessment of any additional options for addressing the
9 source accountability recommendations made by the
10 GAO.

11 A vulnerability assessment which
12 identifies changes in the threat environment between
13 2009 and today that argue in favor or against expansion
14 of the NSTS to include Category 3 sources. A regulatory
15 impact analysis of the accrued benefit and costs of the
16 change to include impact to the NRC, Agreement States,
17 Non-Agreement States, and regulated
18 entities.

19 A discussion of potential regulatory
20 actions that would not require changes to our
21 regulations, to include changes to guidance, training,
22 and other program improvements. An assessment of the
23 risk posed by the aggregation of Category 3 sources into
24 Category 2 quantities.

25 Collaboration with Agreement State

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1 partners, Non-Agreement States, regulated entities,
2 public interest groups, industry groups, and the
3 reactor community to fully assess the regulatory impact
4 of any recommendation indicated in notation vote paper.
5 And finally, any other factors that help inform the
6 Commission's decision.

7 To those unfamiliar with some of these
8 systems, let me provide a brief explanation of the
9 National Source Tracking System, Web-Based Licensing
10 System, and the License Verification System.

11 The National Source Tracking System or
12 NSTS, was deployed in 2008. And is a web-based system
13 that accounts for high risk, radioactive sources from
14 the time they're manufactured or imported through the
15 time of their disposal or export or until they decay
16 enough to be no longer of concern.

17 While NSTS proved a relatively up to date
18 accounting for some regarding risk-significant source
19 inventory, it is important to note that it is not a real
20 time tracking mechanism for sources.

21 Reporting to the NSTS is all after the fact.
22 And the requirements for what is required to be reported
23 can be found in 10 CFR 20.2207.

24 These requirements include reporting
25 licensee information, transaction dates, source

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1 manufacture, source models, source serial number,
2 radioactive material on the source, and source
3 activity.

4 And the typical methods of reporting to the
5 NSTS include direct reporting via online access,
6 emailing, or faxing the National Source Tracking
7 Transaction Report, or NRC Form 748. And providing an
8 electronic batch file to be uploaded into NSTS.

9 The Web-Based Licensing System, or WBL, was
10 deployed in 2012. And is a licensing system that is
11 accessible through the internet. At this time access
12 to WBL is limited only to regulators.

13 The objective of WBL are to provide an up
14 to date repository of all risk significant or Category
15 1 and 2 licenses nationwide. And to provide an up to
16 date repository of all licenses of NRC and three
17 Agreement States who have adopted the use of WBL.

18 Many states have expressed interest in
19 using WBL. And we are currently working with several
20 States towards whole use of WBL.

21 WBL is available to State agencies free of
22 charge. And their adoption of the system and built-in
23 process flows creates more consistency in licensing for
24 the States that use it.

25 The States not using WBL provide --

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1 directly provide NRC with their Category 1 and 2
2 licenses as they are issued or amended, to be uploaded
3 to WBL by the contractor.

4 Having the most current Category 1 and 2
5 licenses in WBL is essential for functionality as a
6 licensed verification system.

7 The License Verification System, or LVS,
8 is a web-based system that enables authorized
9 licensees to confirm that a license is valid and
10 accurate. And that a licensee is authorized to
11 acquire quantities and types of radioactive materials
12 being requested.

13 The process to verify a license is as
14 follows: step one, an authorized customer requests a
15 Category 1 or 2 quantity of radioactive material from
16 an authorized supplier and provides a copy of its
17 license or specific license information needed to
18 query the license records through LVS.

19 Step two, the authorized supplier submits
20 the issuing agency license number and either the
21 amendment number or the license issue date to LVS in
22 order to verify the official copy of the customer's
23 license.

24 Step three, LVS queries WBL to obtain the
25 possession limit for Category 1 and 2 authorized

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1 materials and a copy of the license image. WBL then
2 provides the license information to LVS to compare the
3 possession limits and current NSTS inventory.

4 Step five, LVS queries the NSTS and
5 compares the possession limits for Category 1 and 2
6 authorized materials to the current NSTS inventory.
7 Step six, if the customer is above its possession
8 limit in NSTS, LVS will display a message for the
9 supplier to contact the regulator.

10 Step seven, if no issues exist, LVS
11 displays the official license image obtained from WBL
12 and the authorized supplier notes that license
13 verification is complete in LVS. And the final step,
14 the supplier completes the purchase order and the
15 material is transferred to the customer.

16 Licensees opting not to have access to LVS
17 or those receiving a message by LVS to contact a
18 regulator, must use the manual process to complete the
19 verification of a license. To facilitate the process,
20 the transferring licensee may contact our help desk by
21 phone or email to provide the necessary information to
22 populate the manual license verification report or NRC
23 Form 749.

24 To get access to these systems, applicants
25 have to go through a credentialing process. For the

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1 credentialing process it takes approximately a month
2 to complete and includes a verification of employment,
3 a determination that the person has a need to know,
4 and an identity proofing step to verify that the
5 person applying for a credential is who he or she
6 claims to be.

7 Once the credentialing process is
8 complete, the NRC issues an electronic credential
9 which allows the system to uniquely identify each
10 user. The credentialing process is the same, so if a
11 user has access to one system, they do not have to go
12 through the full credentialing process again for the
13 second system. They simply can contact our help desk
14 to get access.

15 The credential use for NSTS and LVS is a
16 one time password. Which in combination with a
17 personal identification number or PIN, will give them
18 access for the system.

19 A one time password or OTP, is a password
20 that is valid for only one log-in session. And
21 currently the NRC offers three options for OTPs, a
22 card, a token, or a smart phone app.

23 An OTP is provided to a user free of charge.
24 And no software installation is necessary.

25 So here are some of the enhancements that

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1 are under consideration for this reevaluation. The
2 verification of Category 3 licenses through the License
3 Verification System or the regulatory authority as is
4 done with Category 1 and 2 licenses.

5 The inclusion of Category 3 sources in
6 NSTS as is done with Category 1 and 2 sources. And
7 expanding physical security requirements to include
8 Category 3 quantities of radioactive material along
9 with Category 1 and 2 quantities of radioactive
10 material.

11 These potential enhancements form the
12 basis for the questions in the Federal Register Notice
13 that will be issued on this subject, published on
14 January 9, 2017. The FRN with 22 questions that are
15 separated into sections based on the topics and
16 applicability to relevant stakeholders.

17 These include general questions related to
18 license verification, general questions related to the
19 NSTS, specific questions for licensees related to
20 license verification, specific questions for licensees
21 related to the NSTS, specific questions for Agreement
22 States related to license verification, specific
23 questions for Agreement States related to the NSTS and
24 other questions.

25 Okay. Before we move to the comment

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1 portion of this meeting, I did want to include a slide
2 to show the different thresholds for Category 1, 2 and
3 3 quantities of radioactive materials. As you can see
4 from the table the Category 3 threshold is greater
5 then one-tenth of the Category 2 threshold, but less
6 then the Category 2 threshold.

7 Also of note is that the list of
8 radionuclides that are currently subject to physical
9 security requirements in 10 CFR Part 37 is different
10 then the list of radionuclides included in NSTS.

11 The four radionuclides highlighted in the
12 table are the radionuclides that are included in the
13 National Source Tracking System, but are not subject to
14 10 CFR Part 37. The main reason for these four
15 radionuclides that were included in NSTS because the
16 Department of Energy or DOE likely possesses these
17 isotopes and DOE does report to NSTS.

18 I will turn the meeting now back over to
19 George to solicit comments from meeting participants.

20 MR. SMITH: Okay. Thank you, Irene.
21 Before we move onto the comment portion of the
22 meeting, are there any in-house questions on any
23 slides?

24 If you're on the phone, you can indicate and
25 the Operator in the listen mode will allow you to

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1 give us any comments on any slides. And we'll give it
2 a second.

3 OPERATOR: And again, for questions or
4 comments at this time, please press star one.

5 MR. SMITH: Also, if you're on the
6 webinar, you can provide your comments on the webinar
7 also. We have someone that is -- that will be
8 monitoring the webinar today.

9 Melissa, is there anyone indicating
10 there's in-house comments?

11 OPERATOR: No, sir. Not at this time.

12 MR. SMITH: Thank you very much, ma'am.
13 We will now transition into the comments portion of
14 the meeting.

15 As a reminder, we do not try to provide
16 specific responses to stakeholder feedback during this
17 meeting. We are specifically soliciting comments
18 today.

19 We will use these comments and form our
20 evaluation and recommendation. We will prepare
21 documents summarizing all the comments we receive
22 today and at other meetings, and bring comments that
23 will be part of the notation vote paper to be
24 submitted to the Commission in August of this -- 2017,
25 this year.

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1 Do not -- please do not provide non-
2 public, official use only safeguards and/or classified
3 information related to a specific facility with your
4 comments today.

5 And as a reminder, this meeting is being
6 transcribed. Before providing comments today, please
7 state your name and the name of the organization, if
8 any, that you are representing.

9 The first set of questions are general
10 questions related to license verification. Question
11 one. Should the current method for verification of
12 licenses prior to transferring Category 3 quantities
13 of radioactive material listed in 10 CFR 30.41(b)(1)-
14 (5), 10 CFR 40.51(d)(1)-(5), and 10 CFR 70.42(d)(1)-(5)
15 be changed such that only the method prescribed in 10
16 CFR 37.71 are allowed?

17 Now as you can see on the slides, we've
18 included the summary of the five methods of license
19 verification that are described in 10 CFR Part 30, 40
20 and 70. Okay. With that, is there anyone indicating
21 that they have a comment on question one?

22 OPERATOR: No, sir. Not at this time.

23 MR. SMITH: Okay. We'll give it a couple
24 of minutes. Again, I have to remind you that you can
25 also submit your questions through webinar.

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1 Are there any clarifying remarks, Duncan,
2 that you'd like to make?

3 MR. WHITE: No. No, sir. Thank you.

4 MR. SMITH: Okay. Okay, we do have a
5 question. How does the new executive order for
6 regulations going to impact the progress on this
7 specific rule activity?

8 MS. ATACK: Hi, this is Sabrina Atack
9 again. We are definitely staying abreast of the
10 developments on the executive order. And how it
11 impacts this current undertaking.

12 As of now we're proceeding with current
13 Commission directions to conduct the reevaluation.
14 But these are current regulations and processes
15 governing source protection and accountability
16 continue to ensure adequate protection of public
17 health and safety.

18 But I'll reiterate what I've read earlier.
19 That we are in the very, very early stages of
20 conducting this evaluation.

21 We're definitely not in the rulemaking
22 process. We're not in pre-rulemaking. We are just
23 evaluating whether the current regulations are
24 sufficient to ensure adequate protection of public
25 health and safety.

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1 And based on the feedback we receive from
2 these public meetings and the evaluation efforts that
3 the staff is taking in accordance with the Staff
4 Requirements Memorandum we received from the
5 Commission, we will develop a strategy from there in
6 the August 2017 time frame.

7 MR. SMITH: For those that are on the line,
8 you know, it will be interesting to understand the
9 comments as far as Category 3, as far as the current
10 method of monitoring Category 3 and any kind of
11 transfer. Do you think it's adequate?

12 Or do you think it should require some of
13 the -- what would be new requirements for transferring
14 of Category 2 quantities of radioactive material as
15 listed in the regulations, in Part 30, 40 and 70?

16 So if there are any comments on the line
17 in regards to that, we could -- we'd love to hear
18 those comments. Melissa, is there anyone indicating
19 that they have a comment?

20 OPERATOR: No, sir. I'm showing no
21 comments once again. But as a reminder, to make
22 comments over the phone, please press star one.

23 MR. SMITH: Okay. We're going to go onto
24 the second question. But as a reminder, you can, if you
25 have comments on previous questions, you can make

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1 those comments for us.

2 You can provide those comments even though
3 we've passed those -- the question and then
4 solicitations of it.

5 For question two, would there be an
6 increase in safety and/or security if the regulations
7 were changed to only allow license verification
8 through the NRC's License Verification System, which
9 is LVS, or the transferee's license issuing authority
10 for transfers of Category 3 quantities of radioactive
11 material? If so, how much of an increase would there
12 be?

13 We have to have one webinar and public
14 meeting. And we did get quite a bit of feedback on
15 this as far as the increase of safety and security.
16 Some believe that there would not be any increase in
17 safety and security in this area.

18 But we'd like to hear some further
19 comments that would help us as we're reviewing this
20 particular portion of the regulation for Category 3.
21 Melissa, is there anyone indicating that they have a
22 comment for question two?

23 OPERATOR: No, sir. Not at this time.

24 MR. SMITH: Okay. We'll give it a couple
25 of minutes.

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1 MR. WHITE: Yes, this is Duncan White, a
2 member of the Working Group. One thing to consider
3 with this question, if you would let us know why you
4 think the current requirements in Part 30, 40 and 70
5 are adequate for Category 3.

6 MR. SMITH: And again, that was -- what
7 Duncan just said, the comment that he -- or the
8 question he just posed, you know, that was part of it.

9 Some of the comments were, you know, they
10 thought that the requirements at the time were
11 adequate. And that the material would be -- that they
12 are safe and secure.

13 And you know, there would be an increase by,
14 you know, including Category 3 to the LVS or
15 transferring licenses to the issuing authority.

16 We do have one comment on the Webinar. My
17 question for Duncan and the two lists, he calls it the
18 time of the norm rules, NRC rules, the NRC cannot
19 regulate a naturally occurring radionuclides.

20 So, any comments here? Melissa, anyone
21 indicating a comment on the line?

22 OPERATOR: No, sir. Not at this time.

23 MR. SMITH: Okay. We're going to move
24 onto question three. But again, if you have any
25 comments on the first two questions, you are always

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1 welcome to go back and make those comments. And
2 another reminder, the webinar is being transcribed.

3 Question three. If the NRC changed the
4 regulations to limit license verification only through
5 the LVS or the transferee's license issuing authority
6 for transfer of Category 3 quantities of radioactive
7 material, should licensees transferring Category 3
8 quantities to manufacturers and distributors be
9 excepted from the limitation?

10 So again, if you would like to make a
11 comment, please indicate. And Melissa will allow you
12 to make your comment. Or you can provide your
13 comments through the webinar.

14 OPERATOR: Okay. And once again, to make
15 comments over the phone or questions, please remember
16 to press star one.

17 MS. CERVERA: Hi, so this is Margaret
18 Cervera from the NRC. And I just have a question for
19 my own on this one.

20 Is this -- is the second part of this
21 question intended for, for example, a radiographer to
22 ship multiple decayed sources back to their
23 distributor who has been in business forever and gets
24 sources shipped to them all the time for resourcing or
25 whatever like that?

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1 So that we aren't getting -- so that the
2 regulators aren't getting the same license
3 verification multiple times per day from all over
4 across the country. Is that the intent of the second
5 part of this question?

6 MR. WHITE: This is Duncan White. There's
7 two questions. We recognize that most transfers for
8 a number of Category 3 would be between the
9 manufacture/distributor and the licensee.

10 Particularly one of the characteristics of
11 this case is for medical licensees. Particularly ones
12 that have high dose ocular devices who obviously just
13 send their sources back and forth to the manufacturer.
14 Radiographer would be possibly another example.

15 But that was really the focus of this
16 particular question. So again, and concerning this
17 question, we're interested in input on not only that
18 aspect of this, the transfer back and forth between
19 user and manufacturer, although we'd like to hear
20 that.

21 But also, if you do not, and you have
22 Category 3 sources, what would be the impact of that
23 too?

24 MR. SMITH: Great. Thank you very much
25 for the question, Margaret. Never mind a -- please do

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1 not provide non-public, official use only safeguard
2 and/or fact-finding information related to a specific
3 facility. And as a reminder, this will be made -- is
4 being transcribed.

5 Okay. We're going to move onto question
6 four. And again, if you have any comments on the
7 previous questions, you're always welcome to make
8 those comments.

9 Question four. Is there anything else we
10 should consider when evaluating different methods of
11 license verification prior to transferring Category 3
12 quantities of radioactive material?

13 Any clarifying remarks? Okay, Melissa,
14 any indication of a question on the -- or comment on
15 the phone?

16 OPERATOR: No, sir. Not at this time.

17 MR. SMITH: All right. Thank you. We'll
18 let them wait a minute. And we are monitoring the
19 webinar. So if you have any questions you can -- or
20 comments, you can post them on the webinar also.

21 Okay. On the webinar we did have one
22 person to indicate that they don't think there would be
23 an increase in safety and security.

24 MS. ATACK: On question two.

25 MR. SMITH: On question two. And for

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1 question three. If not like to see, should be -- oh,
2 should be, yes. On the --

3 MR. WHITE: It's a follow up to the
4 question asked by the person on the webinar. He said,
5 -- I would just want to clarify, does that mean that
6 the burden should be placed on the
7 manufacturer/distributor?

8 Is that what you imply or what you mean?
9 Or should we not do it at all?

10 MR. SMITH: Well, the person that
11 submitted the webinar comment, he can please comment
12 on Duncan's question. We really appreciate it.

13 And as a reminder, you can always submit
14 your comment on previous questions that were asked
15 during this webinar. But we'll move onto the next
16 question.

17 Before we move onto the next question, we
18 do have a comment on the webinar. How does this
19 change the time line for the request? We've heard
20 about it taking much longer, would the time line
21 shorten with the change?

22 MS. WU: Well yes, just -- I can take a
23 stab this comment. So, I think that -- if this is
24 asking if the time line changes in terms of how -
25 when you have to perform the license verification,

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1 currently there -- the license verification has to be
2 done before the transfer takes place.

3 I mean, there is no prescribed time frame
4 of how far in advance it has to be done. So, right.

5 So, the questions so far that we have
6 asked that are in the Federal Register Notice are
7 asking if the current license verification
8 requirements for Cat 1 and 2 quantities of radioactive
9 material, if that were expanded to Category 3 so, so
10 far it wouldn't change the time line.

11 MR. SMITH: And that was Irene Wu. Is
12 there anyone else indicating we have a comment?

13 OPERATOR: No, sir. Not at this time.

14 MR. SMITH: Okay. We're going to move to
15 the next question. Okay. Should Category 3 sources
16 be included in the NSTS? Please provide a rationale
17 for your answer.

18 We'll give it a couple of seconds. Again,
19 you can provide your comments via the phone lines or
20 the webinar. We are monitoring the webinar.

21 OPERATOR: Once again as a reminder, for
22 comments over the phone, please press star one.

23 MR. SMITH: And we would like to know if
24 you think there would be any benefits for including
25 Category 3 sources into the National Source Tracking

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1 System.

2 Okay. It appears that we do have one
3 comment on the webinar, a new comment. Is there any
4 consideration for differences of fitness when the
5 radioactive materials are already installed in a
6 complex machine or in a shielded device?

7 Irene or Duncan, would one of you take
8 that?

9 MR. WHITE: I think this is something like
10 -- I think there wouldn't be any difference. Again,
11 it's from the -- again, we can follow State
12 requirements as before, it would have to be notified
13 the same there.

14 MR. SMITH: Okay. Melissa, is there any
15 indication of comments on the phone?

16 OPERATOR: No, sir. Not at this time.

17 MR. SMITH: Great. Thank you.

18 MS. WU: There's a question on the
19 webinar. Are the complete flags available from the
20 NRC website? The answer is, they'll be made available
21 on the Category 3 re-evaluation website following the
22 meeting.

23 MR. SMITH: Got one more?

24 MS. WU: So, a comment on the webinar. As
25 far as the increase in security if implemented, I find

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1 nothing in your background information that would have
2 prevented those events if put in place.

3 Thank you for the comment.

4 MR. SMITH: Right. Thank you for the
5 comment.

6 MS. WU: Okay. We've got another one.
7 Question three clarification. When returning decayed
8 sources to the manufacturer that ships the fresh
9 source in the first place, licensees should not have
10 to verify the license every time.

11 Perhaps simply including the
12 manufacturer's license number and expiration date with
13 the new sources would be an easy way to make NRC
14 happy. Yes.

15 Thank you for that comment.

16 MR. SMITH: Great. Thank you. Melissa,
17 any indication of a comment on the phone?

18 OPERATOR: No, sir. Nothing at this time.

19 MR. SMITH: Great. Thank you.

20 MS. WU: Okay there's -- yes, a few more.

21 MR. SMITH: Okay.

22 MS. WU: So, another one was, I would
23 think this would be overly burdensome to licensees
24 without any added security benefits.

25 MS. CERVERA: Back to that comment, this

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1 is Margaret from NRC. When you said this would be
2 overly burdensome, can you clarify if you're referring
3 to license verification? Or including Category 3
4 sources in NSTS? Or both?

5 MS. WU: I think a Category 3 in NSTS.

6 MS. CERVERA: Okay.

7 MS. WU: Then we have another comment
8 here. I would be concerned about the cyber-security
9 of this process.

10 So, a clarification question on that is
11 that the cyber-security related to adding Category 3
12 sources in NSTS? Or cyber-security of NSTS?

13 MS. CERVERA: Such as verification.

14 MS. WU: Right. Or was that related to
15 license verification?

16 Another comment. Since the NSTS is not a
17 live inventory system and one main source in hospitals
18 is exchanged four times a year, the NSTS would
19 constantly be very outdated. I do not see a benefit
20 to including these sources in NSTS.

21 Okay. Thank you for that comment. Okay.
22 The response is all of it, the previous comment.

23 Okay. Questions one, two, three, and four
24 refer to transfers of Category 3 quantities. Does
25 this include transferring packages containing smaller

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1 Category 4 sources that would aggregate up to Category
2 3 quantities?

3 So for license verification that would be
4 a yes. Because license verification -- currently 10
5 CFR Part 37 pertains to Category 1 and 2 quantities of
6 radioactive material.

7 And so -- and then the questions that
8 we've asked so far if that were to then include
9 Category 3 quantities. NSTS however is different
10 because that's the same sources.

11 And so the questions that we've asked so
12 far pertain to just Category 3 sources.

13 MR. SMITH: So, we're looking through the
14 webinar to make sure we address all of the questions
15 or receive all the comments. Melissa, are there any
16 comments on the phone line?

17 OPERATOR: No, sir. Not at this time.

18 MR. SMITH: All right. Thank you. Okay.
19 We're going to move onto question two.

20 If Category 3 sources are included in the
21 NSTS, should the NRC consider imposing the same
22 reporting requirements currently required for Category
23 1 and 2 sources? And that's in 10 CFR 20.2207(f).

24 So as you can see on the slides, we've
25 included a summary of the NSTS reporting requirements

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1 on 10 CFR 20.2207(f), which was mentioned on the
2 earlier NSTS slide.

3 So we'll give it a couple of seconds. And
4 go to the Operator to see if there's any comments. If
5 there are any comments?

6 As a reminder, you can submit your
7 comments on the webinar. Or you can provide your
8 comments over the phone line.

9 Okay, Melissa, any indication of comments
10 on the phone line?

11 OPERATOR: No, sir. Not at this time.

12 MR. SMITH: Okay.

13 MS. WU: Oh, as that in our -- the first
14 public meeting we had on this, we did get some
15 feedback on this question that the reporting
16 requirements -- some people indicated that they think
17 this reporting requirement should be done on an
18 inventory basis, you know, maybe once or twice a year.
19 Versus the transaction dates that's done for Category
20 1 and 2 sources by removed from the NRC.

21 MR. SMITH: Okay, Melissa, any comments on
22 the line?

23 OPERATOR: No, sir.

24 MR. SMITH: Okay. And do you have a
25 comment on the webinar?

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1 MS. WU: So, I think the next business day
2 should be relaxed if Cat 3 is included. Some of these
3 may happen in the field and need a bit more time to
4 log in.

5 Thank you for the comment.

6 MR. SMITH: Okay. We're going to move
7 onto question three. And again, if you have any
8 comments on the previous questions, please feel free
9 to make your comments. Just indicate which question
10 that you're making comments on so we can accurately
11 take in your comments.

12 So, question number three on slide 18.
13 Should the NRC consider alternatives to the current
14 NSTS reporting requirements for Category 1 and 2
15 sources to increase the immediacy of information
16 availability, such as requiring the source transfers to
17 be reported prior to, or on the same day as, the
18 source shipment date?

19 I'll give it a couple of seconds and see
20 if we have any comments on the line. And we'll monitor
21 the web.

22 As a reminder, please -- I'm sorry, Melissa,
23 is there a comment?

24 OPERATOR: No. I was just informing and
25 letting you know already that at this time there were

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1 no questions.

2 MR. SMITH: Oh great. Thank you. As a
3 remind -- as a reminder about your comments, please do
4 not provide any for official use only information or
5 safeguarded information, classified information, or
6 information -- specific information related to your
7 facility.

8 Any clarifying remarks?

9 MR. WHITE: This is a clarification for
10 question three. Again, the current requirement is
11 that the verification be made at the end of the
12 following business day.

13 This was required, it's within the same
14 day, in a couple hours, you know, obviously. A couple
15 of hours, so then I guess seven or eight hours of the
16 transfer.

17 MR. SMITH: Okay. If there are no
18 comments we'll go to question number four.

19 Would there be an increase in safety
20 and/or security if the regulations were changed to
21 include Category 3 sources in the NSTS? If so, how
22 much of an increase would there be?

23 We'll give it a couple of seconds and see
24 if we have any comments on the line. And we will
25 monitor the web.

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1 MS. WU: We're at number four. I would be
2 interested to learn of any experiences the NRC can
3 point, is aware of to indicate that there would be an
4 increase to security if this change was in place.

5 MR. WHITE: This is Duncan White. I guess
6 another way as to state this, is if we had any current
7 problems with the way that the system is set now?

8 Have we had any current problems with the
9 way things have been handled? Just how this is
10 alleviating problems?

11 MS. WU: So, right now with NSTS being
12 after the fact reporting, there is -- sorry. There
13 are -- there could be cases where if a transaction
14 happens the same day, and they have until the
15 following business day to report that that, you know,
16 a receiving licensee won't see the transaction in
17 NSTS.

18 So, I think it really gets to is, you
19 know, NSTS currently as designed is not a real time
20 tracking system. It's more of an accounting system.

21 And so changing, you know, possibly
22 changing the reporting requirement for Cat 1 and 2
23 sources so that the information is in there in a more
24 timely fashion I guess would bring us closer to a
25 tracking system. And perhaps there would be some

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1 benefit to that.

2 MR. WHITE: Duncan White. So, in other
3 words, right now we -- the way it's tracked if we
4 shorten the amount of time someone hacked into the
5 system it would be less likely that you would have
6 someone entering two things at the same time. And
7 then certainly overdo -- having it -- of going over
8 their limit.

9 This is most likely to happen if we
10 shorten that time period.

11 MS. WU: Right.

12 MR. WHITE: Okay.

13 MS. WU: That was Duncan White, NRC.

14 MR. SMITH: So we haven't gotten to
15 question five yet. And so we have a question for
16 question five. But we'll wait and see if there are
17 any more comments on question four.

18 This is George Smith. I'm the Facilitator
19 for today's meeting. You heard Irene Wu and Duncan
20 White. And they'll be making comments or asking
21 additional questions throughout the meeting.

22 They're the point of contact on Category
23 3 source security and accountability meeting today.

24 MS. WU: There's another comment on the
25 webinar. I am not convinced that there would be an

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1 increase in safety and security if Category 3 sources
2 were included in the NSTS.

3 Thanks for the comment.

4 MR. SMITH: Melissa, are there any
5 comments on the phone line?

6 OPERATOR: No, sir.

7 MR. SMITH: Okay. We're going to move
8 onto question five. But again, as a reminder, you may
9 ask or provide additional comments on previous
10 questions through the web or on the phone line.

11 Question five. Is there anything else we
12 should consider as part of our evaluation of including
13 Category 3 sources in the NSTS?

14 MS. WU: Okay. For question five, the
15 comment on the webinar. Please consider additional
16 guidance for the surface contaminated objects
17 aggregation. Most of the assumptions assume discrete
18 sources.

19 MR. WHITE: Thank you for the comment.

20 MR. SMITH: Again, that was Irene Wu. I'm
21 George Smith. I'm the Facilitator for the conference
22 today.

23 MS. WU: Okay. Irene -- this is Irene Wu
24 with the NRC. I'm just reading a webinar comment.

25 NSTS reporting requirements of within a

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1 day or two does not take into account smaller
2 organizations where the RSO may not be available to
3 make those entries at those times. For example,
4 vacations or illnesses.

5 Thank you for the comment.

6 MR. SMITH: Okay Melissa, any comments on
7 the telephone line?

8 OPERATOR: No, sir. But again, as a
9 reminder, to ask a question or make a comment, please
10 press star one.

11 MR. SMITH: We want to remind you that
12 today's meeting is being transcribed. Okay, if there
13 is no more comments on question five, we will move to
14 question one of slide 19.

15 This is on license verification. And the
16 first question is, it currently takes approximately
17 one month to get credentialed to access LVS.

18 If you currently do not have online access
19 to LVS, and NRC establishes new requirements for
20 license verification involving Category 3 quantities
21 of radioactive material, would you be inclined to sign
22 up for online access, or would you use alternative
23 methods for license verification such as e-mailing the
24 NRC form 749, which is the Manual License Verification
25 Report to the LVS Help Desk, or calling the

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1 license-issuing regulatory authority directly?

2 MS. WU: This is Irene Wu of the NRC. I'm
3 reading a question on the webinar.

4 Consider will there be any actual increase
5 source security with proposed regulations? Or is it
6 all just aiding in the appearance of increased
7 security?

8 MR. WHITE: This is Duncan White. In
9 response to that particular question again, we're
10 looking -- the evaluation that was -- that staff was
11 directed by the Commission to consider here is
12 actually looking across path at actual vulnerability.

13 So, this is not -- we want to actually
14 look for a real increase in security, a real increase
15 in safety, and real benefits to doing that.

16 And when looking at this, please consider,
17 you know, what -- and provide comment on, you know,
18 what would be the costs, you know, in sense of time,
19 resources, to possibly implement these new
20 requirements in your, you know, providing an answer if
21 you do today or later by writing. We really
22 appreciate that.

23 And we have another question here on the
24 webinar. Will there be any cost benefit analysis
25 done?

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1 And the answer is yes. There will be once
2 we collect all the information and analysis. We will
3 be doing a cost benefit analysis and it will be part
4 of the Commission paper we initially wanted to see.

5 MS. WU: Okay. Irene Wu, NRC. Another
6 question -- or another comment on the webinar on
7 question five.

8 Please consider consolidating Part 37
9 source lists and NSTS Appendix E listing into a single
10 list.

11 MR. SMITH: And Melissa, any indication of
12 comments on the phone?

13 OPERATOR: No, sir.

14 MR. SMITH: Okay. Great. We have
15 another comment on the web.

16 MS. WU: Okay. On a clarification. If
17 you have credentials for NSTS, you would not have to
18 reapply for LVS, correct? And the answer for that is,
19 that is correct. Assuming that you were applying for
20 LVS access to the same licenses that you have NSTS
21 access for.

22 Now in cases where a user is changing
23 companies, then they would have to reapply. And we
24 would have to do some, you know, employment
25 verification for probably a modified connection

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1 process to switch over access from one license to
2 another.

3 MR. SMITH: Okay. We're going to move
4 onto question two if there are no comments on the
5 phone. And as a reminder, you can -- you may revisit
6 any of the questions that we have gone over prior.
7 And we'll accept those comments on the phone or the
8 web.

9 So, question two. Approximately how many
10 transfers involving Category 3 quantities of
11 radioactive material will be used even monthly? What
12 percentage involves transfers directly to or from a
13 manufacturer?

14 And we will be monitoring both the phone
15 lines and webinar for any comment. Melissa, any
16 comments on the phone line?

17 OPERATOR: No, sir. Not at this time.

18 MR. SMITH: Okay. Questions?

19 MS. WU: Okay. We have Irene Wu, NRC, a
20 question on the webinar. Does the GAO investigation
21 seem to point to a weakness in the Agreement State
22 licensing process? What is being proposed as part of
23 this evaluation for strengthening that process?

24 MR. WHITE: This is Duncan White at the
25 NRC. Newly after the NRC was informed of the results

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1 of the GAO, we worked with the Agreement States to do
2 a number of different things.

3 One thing we did do is we train all NRC
4 and Agreement State inspector and license reviewers.
5 The State that issued the license to the GAO to the --
6 an analysis -- self assessment and analysis of the
7 root cause.

8 More, I guess, the more long term thing is
9 we did look at two aspects of how this all evolved.
10 One was we looked at the pre-licensing guidance in
11 detail.

12 And a working group of experienced
13 Agreement State and NRC people did evaluate that and
14 came up with a number of recommendations. Which we're
15 in the process of preparing to implement, you know,
16 get some further evaluation and implement. That's one
17 thing we're doing.

18 And the other group look at the source
19 transfer and, you know, verification of Category 3
20 sources. That group rather they put together the
21 comments for study for this particular working group
22 to look at as we go forward with that.

23 So, we know we've done a number of
24 different things. The other thing to point out about
25 when we evaluate, we periodically audit the NRC

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1 Regional Offices and the Agreement States.

2 And we do through what's called the IMPEP
3 Program, that's the Integrated Materials Performance
4 Evaluation Program. That program is an audit program
5 that does look at the States and the NRC Region
6 implementation of their licensing. And they are
7 inspection programs.

8 For several years we have been looking at
9 how they're implementing pre-licensing guidance and
10 have, you know, occasionally have found instances that
11 were identified and correct on that. So, this is a
12 process we're going through.

13 And we continually have been looking at
14 it. And will continue to do so in the future. And
15 again, we have -- since the GAO we will be
16 implementing the changes to the way we do business.

17 MS. WU: We have a comment on the webinar.
18 This is Irene Wu, NRC. The comment was, transfer four
19 times a year and 100 percent on return to the
20 manufacturer. So that's for question two.

21 MR. WHITE: One thing that we heard from
22 the first public meeting about number of transfers is,
23 someone from a medical facility indicated that, you
24 know, for most medical facilities that have HDRs or
25 high dose after loaders, they really -- the vast

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1 majority are going to have two or less at a facility.

2 And then there's the case and you may have
3 more. But the vast majority are going to be two or
4 less.

5 So that would be with the four per year
6 per device. So that would be eight a year for the
7 vast majority of facilities.

8 Is that -- again, any more input on that
9 would be appreciated. But also let me hear from -- if
10 there's anyone from the well logging community on
11 there that would -- maybe able to provide input -- or
12 radiographer, if they could provide their input on the
13 -- provide some quantitative input on that question
14 number two.

15 MS. WU: Irene Wu, NRC for another comment
16 on the webinar. Those license verifications should
17 not be required when transferring to an established
18 manufacturer. Thank you for the comment.

19 Irene Wu, NRC. A question related to
20 question one. Would access to LVS require the same
21 type of firewall breaching that is required to access
22 NSTS online systems? This is the main reason so many
23 licensees don't use the NSTS online system.

24 Within the last few years we reviewed our
25 security categorization of the National Source

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1 Tracking System. And in doing so we were able to
2 reduce the access to using a one time password instead
3 of a smart card. And that seemed to get a lot more
4 people online because there were no drivers to have to
5 download.

6 So, the use of the one time password for
7 both the National Source Tracking System and the
8 License Verification System, access has gotten a bit
9 easier with these one time password tokens.

10 And I'll add a piece to that. So
11 currently access to NSTS and LVS is limited to
12 hardwire. You're not able to use WiFi to access the
13 system.

14 MR. SMITH: Okay. Melissa, are there any
15 -- are there any questions on the line?

16 OPERATOR: No, sir. I'm showing no
17 questions.

18 MR. SMITH: Okay. We do have another
19 question or comment rather, on the webinar.

20 MS. WU: Okay. For question two, for ACR,
21 four to five times a year back to the vendor. Okay.
22 Thank you for that account.

23 MR. SMITH: Okay. If there are no more
24 comments for question three, we'll go onto question
25 number four.

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1 How do you handle online access to LVS?
2 If so, have you experienced any issues -- I'm sorry,
3 do you have online access to LVS? If so, have you
4 experienced any issues with LVS? Do you have any
5 recommendations on how to improve LVS?

6 And Melissa, any indication of comments on
7 the phone line?

8 OPERATOR: No, sir. Not at this time.

9 MR. SMITH: As a reminder, we are
10 monitoring both the phone lines and the webinar for
11 comments. Any previous comments on improving LVS?

12 MR. WHITE: This is Duncan White. One
13 question was still out there for folks on the webinar
14 for their consideration.

15 One of the reasons you do not use online
16 access to LVS is because you don't do that many
17 transfers. And it's just easier to send it through by
18 paper. Is that really the reason why?

19 Or do you find the sys -- as one previous
20 person indicated, that it was difficult to use. So
21 again, any feedback on that would be appreciated.

22 MR. SMITH: Okay. Thank you. Melissa,
23 any comments on the phone line?

24 OPERATOR: No, sir.

25 MR. SMITH: Well, a couple of reminders.

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1 The meeting is being transcribed. And we -- please do
2 not provide any for official use only information,
3 safeguarded information, classified information, or
4 specific information pertaining to your facility.

5 If there are any questions that we've gone
6 over and you'd like to make a comment, we do welcome
7 those comments. My name is George Smith. And I am
8 the Facilitator for today's meeting.

9 Okay. We're going to move onto question
10 one. And the specific questions for lock and key
11 related to the NSTS.

12 So question one. It currently takes
13 approximately one month to get credentialed to access
14 NSTS. If you currently do not have online access to
15 NSTS and NRC establishes new requirements for the
16 tracking of Category 3 sources in the NSTS, would you
17 be inclined to try that online access or would you use
18 alternative methods for NSTS reporting such as
19 emailing or faxing the NRC Form 748, the National
20 Source Tracking Transaction Report to the NSTS Help
21 Desk?

22 Okay. We'll give it a couple of seconds
23 and we'll see if there are any questions or comments
24 on the telephone line.

25 MS. WU: We have a question or a comment

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1 on the webinar. A question -- Irene Wu, NRC.

2 For question three, no. The current
3 acceptable methods of verifying licenses such as the
4 current copy, et cetera, especially when dealing with
5 established or recurrent licensees. Okay. Thank you
6 for that comment.

7 And then other comment on the webinar. If
8 Cat 3 is included in NSTS, I'd try NSTS online access
9 again. Okay. Thank you for that comment as well.

10 MR. SMITH: Okay. Melissa, any comments
11 on the phone line?

12 OPERATOR: No, sir. I'm showing no
13 comments.

14 MR. SMITH: Thank you very much. Okay.
15 We'll move onto question two. Again, as a reminder,
16 if you have any comments on the previous questions,
17 feel free to submit them on the web or to -- provide
18 it to us on the telephone line.

19 Question two. Do you have online access
20 to the NSTS? If so, have you experienced any issues
21 with NSTS? Do you have any recommendations on how to
22 improve NSTS?

23 MS. WU: Okay. So we have a comment on
24 the webinar. I did go through getting online access
25 years ago. But have issues with employers' firewalls.

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1 And have used fax and email for NSTS annual updates.
2 I appreciate the feedback that the online system has
3 been changed. Thanks for the comment.

4 MR. SMITH: Thank you very much. And a
5 clarification for this question, it's directed to
6 licensees. But anyone can respond to this question to
7 give us any kind of clarifying comments.

8 We do have another comment on the web.

9 MS. WU: So, Irene Wu, NRC. A comment on
10 the webinar is, I use NSTS online. And have only had
11 early issues with using the product on a Mac.

12 MR. SMITH: Okay. Melissa, any comments
13 on the line?

14 OPERATOR: No, sir. I'm showing no
15 comments.

16 MR. SMITH: Okay. So we're going to move
17 onto the next question. These are questions for
18 Agreement States. But anyone can provide comments
19 relating to these -- the following questions.

20 Question one. Approximately how many
21 licenses do you authorize for Category 1, 2 and 3
22 quantities of radioactive material?

23 And again, these questions are directed
24 for Agreement States, but anyone can provide
25 clarifying comments for the question. We are

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1 monitoring both the phone lines and the web for your
2 comments.

3 And again, my name is George Smith. I'm
4 the Facilitator for today's meeting.

5 MR. WHITE: This is Duncan White. Just a
6 little bit of background. In terms of Category 1, 2
7 and 3 quantities are out there.

8 We estimate there are approximately five
9 thousand licensee quality groups. Of that group,
10 Category 1 and 2, there's approximately 14 hundred
11 licensees.

12 And we estimate the number of NRC and
13 Agreement State licensees that have Category 3
14 quantities are about 36 hundred licensees. That's
15 where the five thousand comes from.

16 Again, what we're looking for here is now
17 to better refine that number.

18 MS. WU: This is Irene Wu at the NRC.
19 Comments on the webinar, a question on the webinar.
20 Does this include license authorizations for small
21 Category 4 sources that would aggregate in Category 3
22 quantities?

23 If you didn't hear that. Yes.

24 MR. SMITH: So, Melissa, are there any
25 comments on the line?

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1 OPERATOR: No, sir. But again, as a
2 reminder, for comments or questions, please press star
3 one.

4 MR. SMITH: So we're going to move onto
5 question two if there are no comments on the line.
6 And we are monitoring the webinar also.

7 Question two. If license verification
8 through the LVS or the transferee's license issuing
9 authority is required for transfers involving Category
10 3 quantities of radioactive material, would you
11 encourage the use of LVS among your licensees, or plan
12 for the additional burden imposed by the manual
13 license verification process?

14 Again, although these questions are
15 specific for Agreement States, if you have comments,
16 we welcome your comment if you are not an Agreement
17 State.

18 MR. WHITE: This is Duncan White. Okay,
19 a couple of people have already indicated out there
20 that they would possibly try using LVS again since
21 there's been some improvements made. And again,
22 others have indicated that they would continue using
23 the current method.

24 Again, any -- and although the question
25 is, as George said, it is geared towards Agreement

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1 States, again licensees that are on the phone wish to
2 weigh in, we appreciate that too.

3 MR. SMITH: Any indication of questions on
4 the line, Melissa?

5 OPERATOR: No, sir.

6 MR. SMITH: Okay. If there are no
7 questions, we're going to move onto question three.
8 But as a reminder, any questions to the previous
9 questions you may submit your comments on the web or
10 on the phone lines if we've gone over some of the
11 questions and you decide you'd like to make a comment.

12 So question three. For -- under the
13 Agreement States. If license verification through the
14 LVS or the transferee's license issuing authority is
15 required for transfers involving Category 3 quantities
16 of radioactive material, would you consider adopting
17 the Web-Based Licensing System, WBL, to ensure the
18 most up-to-date licenses are available for license
19 verification using the LVS or voluntarily provide your
20 Category 3 licenses, similar to what some Agreement
21 States do now for Category 1 and 2 licenses, to be
22 included in WBL, or would you do neither and prefer a
23 licensees to use the manual license verification
24 process?

25 Any kind of comments or clarification

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1 you've got on this? Okay. So we do have a comment on
2 the web.

3 MS. WU: Yes. This is Irene Wu, NRC.
4 Comments on the webinar. As an Agreement State
5 licensee, I try LVS. And this would be a significant
6 burden on an already hacked Agreement State
7 organization. Thank you.

8 MR. SMITH: Thanks. Any comments?
9 Melissa, any indication of a comment on the phone
10 line?

11 OPERATOR: No, sir. Not at this time.

12 MR. SMITH: Okay. Thank you. As a
13 reminder, please do not provide any safeguarded
14 information, for official use only information,
15 classified information, or specific information
16 related to your facility or any facility.

17 Okay. We're going to go onto question
18 four if there are no -- do we have a comment?

19 MS. WU: No.

20 MR. SMITH: We're going to go to question
21 four. What would the impact in time and resources be
22 on your program to handle the additional regulatory
23 oversight needed for Category 3 licensees if license
24 verification through the LVS or transferee's license
25 issuing authority was required for transfers involving

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1 Category 3 quantities of radioactive materials?

2 Again, although these questions are geared
3 toward -- directed toward Agreement States, if you
4 have any comments you'd like to make, we welcome those
5 comments regardless of the group that you are.

6 MR. WHITE: This is Duncan White. Someone
7 asked earlier about a cost benefit analysis. This
8 type of question, it would gear towards getting
9 information for the cost benefit analysis.

10 And again, specifically for Agreement
11 States, but again, for like -- we'd like the feedback
12 on the webinar, getting your input would be
13 appreciated on this.

14 MR. SMITH: Okay. Melissa, any
15 indication of a comment on the line?

16 OPERATOR: No, sir.

17 MR. SMITH: Okay. Thank you. Also as a
18 reminder, we are both monitoring the line and the
19 webinar. So if you provide us comments through the
20 webinar, we will read them aloud and factor your
21 comments.

22 So, no comments, then we'll move onto -
23 you have one?

24 MS. WU: Yes.

25 MR. SMITH: We do have a comment on the

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1 web.

2 MS. WU: Okay. This is Irene Wu, NRC.
3 The comment on the webinar. I am in a State that
4 licenses a source manufacturer. I can't imagine our
5 current State partner being able to handle the large
6 number of Category 3 transfers that are occurring.

7 Thank you for the comment.

8 MR. SMITH: Thank you very much. Okay.
9 We're going to move onto the next question. Again, if
10 you have any comments on the previous questions,
11 please provide them via the web. Or you can comment
12 on the line.

13 I'm George Smith. I'm the Facilitator for
14 today's meeting. So, question one, these are specific
15 questions for Agreement States related to the NSTS.
16 Again, if you're a licensee or other entity that have
17 comments on these, we welcome those comments.

18 So for question one, NRC currently
19 administers the annual inventory reconciliation
20 process on behalf of the Agreement States. This
21 process involves providing hard copy inventories to
22 every licensee that possesses nationally tracked
23 sources at the end of the year, processing corrections
24 to inventories, and processing confirmations of
25 completion of the reconciliation into NSTS.

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1 The process involves a significant amount
2 of staff time and resources from November to February.
3 If the Agreement States were to adopt administration
4 of the annual inventory reconciliation process and if
5 Category 3 sources were included in the NSTS, what
6 would the additional regulatory burden be on the
7 Agreement States to perform the annual inventory
8 reconciliation for Category 1, 2 and 3 sources?

9 So we'll give it a couple of minutes and
10 see if there are any comments on the phone line. And
11 we are now monitoring the web for any comments.

12 OPERATOR: And again, as a reminder, to
13 ask a question or make a comment over the phone,
14 please press star one.

15 MR. SMITH: This comment really seemed to
16 be directed toward Agreement States.

17 MR. WHITE: Yes. This is Duncan White.
18 Yes George, it really is geared towards Agreement
19 States.

20 MR. SMITH: Okay. We're monitoring both
21 the web and the phone lines. If you have any
22 comments, we really appreciate your comments.

23 Okay. It looks like we have a comment on
24 the web.

25 MS. WU: Okay. This is Irene Wu with the

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1 NRC. Comment on the webinar is, this would bring the
2 process to a halt. Agreement States are underfunded
3 and understaffed. Another unfunded mandate is the
4 last -- this is the last thing our Agreement State
5 program needs.

6 MR. SMITH: Good comment.

7 MS. WU: Thank you for the comment.

8 MR. SMITH: Thank you.

9 MS. WU: Okay. Another comment on the
10 webinar. I remember the nightmare of reconciliation
11 when NSTS began. And that has been corrected. If my
12 State had to perform this task, I do not have
13 confidence that they -- have the -- I do not have
14 confidence that they have the resources to complete
15 reconciliation the way NSTS does.

16 Thank you for the comment.

17 MR. SMITH: Do we have any comments from
18 the licensees?

19 MS. WU: Okay. Another comment on the
20 webinar. General thought. Also want to make sure that
21 this is the best way to meet the AEA of 1954 for
22 nuclear reactors "imposed the minimum amount of such
23 regulations in terms of license as will permit the
24 condition to fulfill it's obligations." I would not
25 consider controlling 11 kilograms of one percent

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1 uranium at the same level as 2.1 kilograms of
2 plutonium for example, as being the minimum level of
3 regulation necessary.

4 Thank you for the comment.

5 MR. SMITH: Okay. Melissa, are there any
6 comments on the phone lines?

7 OPERATOR: No, sir. Not at this time.

8 MR. SMITH: Okay. Thank you.

9 OPERATOR: Well sir, we do have someone
10 that prompted up.

11 MR. SMITH: Great. Thank you.

12 OPERATOR: Thank you. Lisa, your line is
13 open.

14 MR. SMITH: Please state your name and your
15 organization if you will just to know who this
16 is.

17 MS. LONDON: Yes. This is Lisa London with the
18 Nuclear Regulatory Commission. Can you all hear me?

19 MR. SMITH: We can. Thank you.

20 MS. LONDON: Great. Thanks. I just
21 wanted to clarify something I've heard repeated
22 comments about this questions being geared towards
23 specific people.

24 I just want to make clear that my
25 understanding is that all of the questions can be

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1 answered by anyone. By any member of the public.

2 It's not just for licensees and it's not
3 just for Agreement States. Certainly it seems like
4 some questions might garner more information from some
5 members of the public such as Agreement State
6 Regulators. But that anyone can answer any question.

7 Can members of the NRC staff confirm
8 that's correct?

9 MR. SMITH: That's correct. And we've
10 stated that a couple of times. You know, the last one
11 was really directed toward an Agreement State.

12 But still, we welcome any comments from
13 any of the other stakeholders.

14 MR. WHITE: And we've got comments.

15 MR. SMITH: Yes. That's right. And
16 we've received comments from other folks besides
17 Agreement States.

18 But thank you, Lisa. I really appreciate
19 your comment.

20 Okay Melissa, any indication of other
21 comments on the phone line?

22 OPERATOR: No, sir. Not at this time.

23 MR. SMITH: Okay. As a reminder, we ask
24 that you do not provide any for official use only
25 information, safeguarded information, classified

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1 information, or specific information related to
2 facilities.

3 Also, if we've gone over any questions
4 that you think you'd like to make some comments, on
5 any of the previous questions we've gone over, please
6 provide those comments via the web or the phone line.

7 Okay. If there are no more questions for
8 -- I'm sorry, comments for that question, we'll move
9 onto the next question.

10 Okay. Question one. Should physical
11 security requirements of Category 1 and 2 quantities
12 of radioactive material be expanded to include
13 Category 3 quantities?

14 Any indication of comments on the line,
15 Melissa?

16 OPERATOR: No, sir. Showing nothing at
17 this time.

18 MR. SMITH: Any clarifying comments in the
19 room? Any clarifying comments?

20 MR. WHITE: No.

21 MS. WU: There's a comment on the webinar.
22 This is Irene Wu with the NRC. The comment on the
23 webinar is, no. I see no benefits.

24 Another comment on the webinar, no, no,
25 no. Physical security requirements should not be

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1 expanded to include Category 3 sources.

2 Another comment on the webinar, no. They
3 shouldn't be expanded. Thank you all for those
4 comments.

5 MR. SMITH: Okay. We'll give it a couple
6 of more seconds for our folks who would like to
7 comment.

8 As a reminder, we are monitoring both the
9 telephone line and the web for comments. This is
10 George Smith. I'm the Facilitator for today's
11 meeting.

12 MS. WU: Okay. Another comment on the
13 webinar. This is Irene Wu, NRC. The comment is,
14 nationally this would be a tremendous financial
15 burden. Thank you for the comment.

16 Okay. Another ques -- comment on our
17 previous questi -- oh, on this question, sorry. Okay.
18 So, since the majority of security concerns appear to
19 be related to iridium 192 radiography related
20 according to the NRC's effectiveness review, is this
21 tightening down on all Category 3 sources unnecessary
22 and incorrectly targeted?

23 MS. ATACK: This is Sabrina Atack. I'll
24 respond to that. We did perform a review of the
25 physical protection requirements in Part 37. And found

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1 that they were adequate as to the protection of
2 Category 1 and 2 sources.

3 In this effort that we're proceeding with
4 today, you know, with respect to the public meeting
5 and getting feedback, I wouldn't say that we're
6 tightening down on Category 3 sources.

7 Again, I'll just reiterate what we said a
8 couple of times throughout the course of the meeting.
9 That we were evaluating if the current infrastructure
10 for the security and accountability of Category 3
11 sources provides adequate protection.

12 We haven't made any decisions regarding
13 recommendations or how we will proceed with providing
14 those recommendations to the Commission, what the
15 content of those recommendations will be. So again,
16 we're just gathering information.

17 And the staff is proceeding with
18 evaluation activities. And we will provide
19 recommendations to the Commission in August 2017.

20 But again, there is no tightening down per
21 se at this time. We're evaluating feedback and
22 performing evaluation activities. And then we'll
23 provide recommendations in this area later this year.

24 MR. SMITH: Okay Melissa, any comments on
25 the line?

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1 OPERATOR: No, sir. I'm showing nothing
2 at this time.

3 MR. SMITH: Okay. We do have a comment on
4 the web.

5 MS. WU: Okay. Irene Wu, NRC. Comment on
6 the webinar is, let's not forget that we in the
7 radiation safety and Security rolls are doing more for
8 security and safety. We are doing just that and not
9 filling out forms that have no identified benefit.

10 Thank you for the comment.

11 MR. SMITH: Okay. We really appreciate
12 the comments. And again, if you have any comments on
13 any previous questions, please, you know, feel free to
14 make those comments.

15 We'll move onto question two. Some
16 Category 3 sources are covered under a general
17 license. And that's under 10 CFR 31.5. Should the
18 NRC consider establishing maximum quantities in
19 general license devices, thereby reserving
20 authorization to possess Category 1, 2 and 3
21 quantities of radioactive materials to specific
22 licensees?

23 Any clarifying comments in the room? Any
24 comments on the line, Melissa?

25 OPERATOR: No, sir. I'm showing no

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1 comments.

2 MR. SMITH: Okay. Thank you. As a
3 reminder, we're monitoring the web for any comments.
4 And we are receiving comments on the phone lines.

5 MS. WU: Okay. Irene Wu, NRC with a
6 comment on the webinar. You decide that Category 3
7 sources are not to be covered under Part 37 -- I'm,
8 sorry, if you decide that Category 3 sources are to be
9 covered under Part 37, then they should not be covered
10 under general licenses.

11 General license devices can come and go
12 without the RSO's knowledge. And if material is that
13 dangerous, it should not be under a general license.

14 Thank you for the comment.

15 MR. SMITH: Okay, Melissa, any indication
16 of a comment on any previous questions?

17 OPERATOR: No, sir. I'm showing no
18 questions.

19 MR. SMITH: Okay. Thanks. We're
20 currently not showing any comments at this time on the
21 web.

22 So that was the last question. But before
23 we close the portion of this meeting, we want to open
24 up the floor of any new comments here in the room, any
25 clarifying comments and additional comments.

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1 On the phone line, if you have any
2 additional comments, we welcome those comments. Any
3 general comments, any comments on any previous
4 questions, we would love to take those comments at
5 this time.

6 Also, if you would like to make those
7 comments on the web, we would take those comments also
8 before we close the comments portion of the meeting.

9 MS. WU: George, we have a comment on the
10 webinar.

11 MR. SMITH: Okay.

12 MS. WU: This is Irene Wu with the NRC.
13 The comment on the webinar is a general comment. In
14 my opinion, the LVS is the only redeeming feature of
15 this entire inquisition. I have for a long time felt
16 that there should be an official source for license
17 verification for all radioactive materials transferred
18 that require a license.

19 On the subject of NSTS registrations and
20 increased security for Category 3 sources, the NSC has
21 already performed a thorough analysis of this for
22 Category 3 sources and found no need for increased
23 security.

24 I truly do not see any basis or
25 justification for a different conclusion at this

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1 point. Thank you for the comment.

2 MR. SMITH: So, before we close out the
3 webinar, we have plenty of time left. So, you know,
4 we'll give it a little more time for you to gather
5 your thoughts. And we welcome your thoughts on the
6 phone line or the webinar.

7 But we have plenty of time. So we're
8 going to slow it down a little. And allow you to make
9 any additional comments.

10 OPERATOR: And again, for comments over
11 the phone, please press star one.

12 MR. SMITH: Oh, we do have a comment on
13 the web.

14 MS. WU: Okay. Irene Wu, NRC. Comment on
15 the webinar. Licensees routinely converse among
16 themselves that the current Part 37 merely provides a
17 means for the NRC to point the finger at the licensees
18 if there is ever an event. And provides no true
19 increase in security.

20 MR. SMITH: So, for that comment, is the
21 point that there needs to be even more increased
22 security in Part 37? Thank you so much for the
23 comment. We really appreciate the comment.

24 MS. WU: Yes. Another comment on the
25 webinar. The requirements of Category -- Cat 1, 2 and

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1 3 -- oh, Cat 1 and 2 are extended to 3, will there be
2 a re-evaluation of the quantities for Cat 3 because of
3 the increased security and license security
4 requirements?

5 MR. WHITE: This is Duncan White. If the
6 question is, are we going to look at changing the
7 values that are currently in the tables? No. That's
8 not part of this review.

9 MR. SMITH: Again, my name is George
10 Smith. And I'm the Facilitator for today's meeting.
11 We have quite a bit of time left. And we will
12 entertain any thoughts on any of the questions that
13 we've proposed today via the line -- the phone line or
14 during the web.

15 And we really appreciate your comments.

16 MS. WU: Okay. This is Irene Wu at the
17 NRC. There's a question on the webinar. The question
18 is, can you review in short why this movement started?

19 I heard very briefly about the GAO
20 investigation, but missed most of it. A short summary
21 would be appreciated if you have time.

22 MR. WHITE: This is Duncan White of the
23 NRC. Just briefly to summarize. Back in 2007 the GAO
24 did look at the material license of NRC and Agreement
25 States.

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1 They were successful in one of two
2 attempts to get a license for a portable gauge, which
3 includes Category 4 quantity of source material. And
4 were able to place orders to get a Category 3 quantity
5 if you aggregated all of it together.

6 As a result of that NRC took a num -- and
7 Agreement States took a number of actions. Another
8 thing that was mentioned, discussion in 2009, on this
9 comment, NRC started rolling out NSTS.

10 We looked at expanding NSTS to Category 3
11 at that time. The decision made by the Commission was
12 not to expand it. It was a two/two vote. They did
13 not expand NSTS beyond Cat 1 and 2.

14 And in 2014 to 2016, GAO did a follow up
15 audit of their 2007 audit to see the changes made by
16 the NRC and the Agreement States to see if they were
17 effective in addressing the change from '07.

18 We -- part of that audit was an
19 investigation that would try to acquire a license from
20 three different agencies, two Agreement States and an
21 NRC region. That investigation was successful in one
22 of three tries.

23 So point after that investigation really
24 ramped up the game on getting that license. Where the
25 GAO actually rented storefront. After they submitted

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1 a license application they submitted a storefront so
2 they would have to go through the pre-licensing
3 guidance that the NRC and Agreement States put in
4 place.

5 And they point out two or three cases they
6 were -- it was unsuccessful. On the third case it was
7 successful. And one of the Agreement States did issue
8 a license to them.

9 As I mentioned earlier in the webinar, we
10 did that -- they did do a self assessment and a due
11 cause analysis that -- the State did do that. A
12 number of things that were found -- two of the key
13 things that they found that the reviewer and the
14 submitting supervisor did not follow procedure.

15 And secondly, that they told us that they
16 had lack of management oversight. I should point out
17 that this State was using a pre-licensing guidance
18 very similar to NRC and other Agreement States.

19 So, this is kind of why we got here. So
20 what we have here -- again, there's one more thing
21 that was happening. Congress in 20 -- the end of 2014
22 requested NRC do a review of limitation of Part 37.

23 We completed that review at the end of
24 2016. And what as a result of all these things kind
25 of merged together. And ended up with a Commission

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1 direction in October 2016 to look at Category 3 again,
2 to reevaluate it.

3 So, this is what the current effort is.
4 It's kind of pulling the GAO, looking at the previous
5 Category 3 evaluation back in -- from '09/'10 time
6 period. And also the Part -- and worked on the part
7 37 audit that we did as a part of -- as part of this
8 whole review.

9 This is kind of why we are over here. So,
10 hopefully that will answer your question.

11 MR. SMITH: Great. Thank you Duncan. We
12 do have another comment on the webinar.

13 MS. WU: Okay. This is Irene Wu, NRC.
14 The question on the webinar is, how long are one's
15 credentials for NSTS or LVS good for? How often must
16 they be renewed?

17 So currently there is no expiration for
18 these digital credentials. So, there is no renewal
19 process for them.

20 MR. SMITH: Okay. Thank you. As a
21 reminder, we've gone through all of the questions for
22 today's webinar.

23 But we are dedicating some time to those
24 who have any additional comments, any general comments
25 or any additional comments on the questions that we've

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1 already gone over. You can submit those comments on
2 the phone or through the webinar.

3 And we do have another comment on the
4 webinar.

5 MS. WU: Okay. Irene Wu, NRC. The
6 comment is, if the terrorists want their sources,
7 they'll get them just like systems in place. Most
8 hospitals do not have armed response security forces
9 onsite. And nor should they be required to.

10 Further, if a terrorist wants the sources,
11 there are plenty of ways to go about getting a license
12 and getting a source delivered to them beyond methods
13 that the GAO has already tested. All system is insane
14 and reduces the credibility of the NRC with hospital
15 administrations when such unfunded mandates are
16 imposed.

17 The cost of doing business as a hospital
18 has been getting tougher and tougher for all
19 hospitals. More unfunded mandates that do not
20 actually increase security should not be imposed.

21 MR. SMITH: Thank you so much for the
22 comment. Also, you know, to go with that comment, if
23 you have any specifics, please do not provide them.

24 But, if you do have any specifics to that
25 that you'd like to discuss with the NRC staff, we do

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1 have a staff that can accommodate that.

2 MR. WHITE: George, this is Duncan White.
3 I wanted to add a comment to -- kind of relates to
4 what the individual just provided.

5 GAO is -- as I said, the Government
6 Accountability Office and they're part of the
7 legislative branch of government. And what -- when
8 they do an audit of the NRC or other agency, any
9 results from that audit, the NRC is required to follow
10 up and respond to.

11 So again, with regard to GAO's motives
12 and, you know, and the result of this, we have an
13 obligation to launch a follow up and respond to the
14 audit.

15 MR. SMITH: Melissa, any comments on the
16 line?

17 OPERATOR: I'm showing no comments at this
18 time.

19 MR. SMITH: Okay. We have another comment
20 on the web.

21 MS. WU: Okay. This is Irene Wu, NRC. A
22 comment on the webinar is, I think the renewal process
23 should be reevaluated. It should have some
24 connectivity to the T&R process.

25 If I lose access to Category 1 and 2

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1 because my T&R process ten year renewal identifies an
2 issue, that person should not have NSTS or LVS access
3 either.

4 MR. SMITH: Okay. Thanks for the comment.

5 Okay, for -- just to give an update, we've
6 gone over the questions for the webinar. And we're
7 just seeking any additional comments via the phone
8 line or the webinar.

9 And we'll give it a couple more minutes.
10 And then we'll -- and go forward with closing the
11 meeting out.

12 Okay, Melissa, any indication of questions
13 on the phone line? Or comments?

14 OPERATOR: No, sir. No, sir. I'm
15 showing nothing at this time.

16 MR. SMITH: Okay. Great. And again, my
17 name is George Smith. And I was facilitating the
18 meeting today. And I would like to thank you all for
19 your comments.

20 The NRC will host several additional
21 public meetings and webinars on the Category 3 source
22 security and accountability during the public comment
23 period toward this effort.

24 On February 23 we will be holding two public
25 meetings and webinars in Boston, Massachusetts.

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1 On February 28 we will be holding two public meetings
2 and webinars in Houston, Texas.

3 Lastly, we will be having another webinar
4 on March 2. All of these public meetings and webinars
5 are noted on the Public Meeting Website with a link
6 from our website. So please check the meeting notice
7 for the time and details.

8 Finally, we would like to remind you that
9 the public comment period is going to -- before it
10 ends it provides this questions close -- closes on
11 March 10, 2017.

12 We encourage your response to the FRN.
13 And appreciate your participation in today's meeting.
14 Thank you for participating.

15 A copy of the slides used in today's
16 meeting will be made available on the Category 3 web
17 page located on the NRC website under Radioactive
18 Material Security.

19 If you have any additional questions
20 relating to this meeting or to Category 3 Source
21 Security and Accountability Reevaluation, please
22 contact either Duncan White at Duncan.White@nrc.gov.
23 His office number is (301) 415-2958.

24 Or you may contact Irene Wu at
25 Irene.Wu@nrc.gov. And her office number is (301)

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1 415-1951.

2 Thank you all. That concludes the webinar
3 today.

4 (Whereupon, the above-entitled matter went
5 off the record at 2:48 p.m.)

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