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Category 3 Source Security & Accountability  
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UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

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NUCLEAR MATERIAL SAFETY AND SAFEGUARDS

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CATEGORY 3 SOURCE SECURITY & ACCOUNTABILITY WEBINAR

+ + + + +

ROCKVILLE, MARYLAND

+ + + + +

THURSDAY,

MARCH 2, 2017

+ + + + +

The Category 3 Meeting met at the United States Nuclear Regulatory Commission in T8C05C, 11545 Rockville Pike, Rockville, Maryland, at 1:01 p.m., George Smith, Facilitator, presiding.

PRESENT:

GEORGE SMITH, Facilitator, NMSS

SABRINA ATACK, NMSS

CARRIE CRAWFORD, NMSS

GINA DAVIS, NMSS

ERNESTO QUINONES, NMSS

DUNCAN WHITE, NMSS

IRENE WU, NMSS

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ALSO PRESENT:

BRIAN DODD, Public Participant\*

RICHARD KARRMANN, Public Participant\*\*

CLAYTON BRADT, Public Participant\*\*

DAVID HUBER, Public Participant\*\*

JAMES MATTERN, NIH\*

DOUGLAS MISKELL, Public Participant\*\*

CHRISTOPHER PERRY, Weatherford\*\*

JENNIFER OPILA, State of Colorado\*

KELLY RICHARDT, Public Participant\*\*

JOSEPH RIZZI, Westinghouse\*\*

GLENN ROGERS, Public Participant\*\*

MARGARET CERVERA, Public Participant\*\*

KAREN SHEEHAN, Public Participant\*\*

GREG SHROUD, Gilberton Power\*

MARY SHEPHERD, Shepherd & Associates\*

CRAIG STONE, South Texas Project\*

SCOTT WINTERS, Vega America\*

\* Present by teleconference

\*\* Present by webinar

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1  
2

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

1:01 p.m.

1  
2  
3 MS. ATACK: Thank you. I'd like to thank  
4 everyone for participating in today's public meeting  
5 where the focus is on the reevaluation of Category 3  
6 Source Security and Accountability.

7 As most of you are aware, the Commission  
8 directed the NRC staff to perform this reevaluation.  
9 And specifically tasked us with the action to engage  
10 stakeholders to fully assess the regulatory impact of  
11 any potential changes to existing processes and  
12 regulations.

13 I'd like to note that the results of this  
14 reevaluation are not predetermined. And the NRC has  
15 not yet made any decisions regarding changes to  
16 existing regulations.

17 On the contrary. We are in the early  
18 stages of performing this evaluation. And have a lot  
19 of work to do before we make any recommendations for  
20 Commission consideration.

21 As was identified by the Commission in its Staff  
22 Requirements Memorandum on this subject, stakeholder  
23 feedback is an integral component of this effort. And  
24 it must be considered in the staff's evaluation.

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1           To achieve that purpose, this public  
2 meeting is part of a series of public meetings and  
3 webinars that we've hosted during the comment period  
4 for this evaluation. This is actually the final  
5 webinar on the subject and the public comment period  
6 closes soon.

7           So we are excited to begin the process of  
8 evaluating stakeholder feedback and tying that into  
9 our evaluation effort.

10           We recognize there's a lot of interest in  
11 this reevaluation effort from within and outside the  
12 NRC. And we value your participation and involvement  
13 and look forward to hearing your feedback.

14           I'll now turn the meeting over to George  
15 Smith, our Facilitator for this meeting.

16           MR. SMITH: Thank you Sabrina. We also  
17 have members of the NRC Agreement State Category 3  
18 Source Security and Accountability Working Group in  
19 attendance here and on the phone that may ask  
20 clarifying questions to ensure we accurately capture  
21 your comments.

22           Please make sure you are logged into the webinar  
23 in order to follow along with the slide presentation.

24           If you have not registered for the webinar, the webinar

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1 registration information is available in a Public  
2 Meeting Notice on the NRC Public Meeting website.

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

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

10 Then we will go over the different comment  
11 areas and open the floor for comments on each question  
12 in the Federal Register Notice. And then close the  
13 meeting.

14 This is a Category 3 public meeting. Which  
15 means we will be soliciting feedback to ensure your  
16 issues and concerns are presented, understood, and  
17 considered by the NRC.

18 This meeting is being transcribed to  
19 accurately capture your comments. Your comments  
20 during this webinar and those submitted to the NRC will  
21 be considered by NRC in preparing the report to the  
22 Commission as directed by the Staff Requirements  
23 Memorandum for COMJMB-16-0001.

24 The NRC does not plan to provide specific

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1 responses to stakeholder feedback during this meeting.  
2 Please do not provide non-public official use only  
3 safeguards and/or classified information related to  
4 a specific facility.

5 The operator will place you in a queue if  
6 you have a comment to provide at today's meeting. The  
7 operator will inform you when you will be allowed to  
8 present your comments.

9 If you do not have an opportunity to provide  
10 comments today, or if you have additional comments,  
11 please submit your comments to the NRC by March 10,  
12 2017. Those comments can be submitted via the web on  
13 [www.regulations.gov](http://www.regulations.gov) for Docket ID NRC 2016-0276.

14 Or you can mail your comments to Cindy  
15 Bladey, Office of Administration, Mail Stop  
16 OWFN-12-H08, U.S. Nuclear Regulatory Commission,  
17 Washington, D.C. 20555-0001. Please include the  
18 Docket ID, NRC 2016-0276 in the subject line of your  
19 submission.

20 I will now turn it over to Irene Wu who  
21 will provide some background information.

22 MS. WU: Thank you, George. My name is  
23 Irene Wu. And I am a Project Manager at the Nuclear  
24 Regulatory Commission, and the Co-Chair of the NRC

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1 Agreement State Working Group that is conducting this  
2 reevaluation.

3 As you may know, the Commission issued a  
4 Staff Requirements Memorandum for COMJMB-16-0001 dated  
5 October 18, 2016. Which directed the NRC staff to take  
6 specific actions to evaluate whether it is necessary  
7 to revise NRC regulations or processes governing  
8 Category 3 source protection and accountability.

9 However, this is not the first time that  
10 we have reviewed strategies for the protection and  
11 accountability of Category 3 sources.

12 In 2007, the U.S. Government  
13 Accountability Office, or GAO, conducted an  
14 investigation on NRC's materials licensing program.  
15 And was able to obtain a radioactive materials license  
16 using a fictitious company. And placed orders that  
17 would have resulted, if actually obtained, in receipt  
18 of an aggregated Category 3 quantity of radioactive  
19 material.

20 After the 2007 investigation, the NRC and  
21 Agreement States made a number of significant changes  
22 to strengthen the licensing and regulatory processes  
23 to prevent individuals who may have malevolent intent  
24 from obtaining a radioactive materials license.

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1                   In 2009 licensees began reporting Category  
2                   1 and 2 source information to the National Source  
3                   Tracking System, or NSTS. Staff had proposed to expand  
4                   reporting to the NSTS to include Category 3 sources.

5                   However, the Commission did not reach a  
6                   decision on the proposed rulemaking. And the final  
7                   rule was not approved.

8                   In 2014, GAO initiated another audit of  
9                   the materials licensing program to determine whether  
10                  the licensing vulnerabilities identified in its 2007  
11                  investigation had been addressed by the NRC and  
12                  Agreement States.

13                  As part of its audit, GAO rented store front  
14                  warehouse space to demonstrate a fictitious company's  
15                  legitimacy during pre-licensing visits. The GAO was  
16                  successful in one of three attempts and acquired a  
17                  license for a Category 3 well logging source, which  
18                  they used to place one order for a Category 3 source.

19                  GAO then altered the license and used it  
20                  to place a second order for additional Category 3  
21                  source. In doing so, GAO effectively demonstrated the  
22                  ability to obtain an aggregated Category 2 quantity  
23                  of material. Although at no point in the investigation  
24                  were radioactive materials actually shipped to the

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1 fictitious company.

2 GAO published its final report for the  
3 material licensing audit and investigation in July  
4 2016. And in August 2017, we plan to submit a Notation  
5 Vote Paper to the Commission with our recommendations.

6 It is also relevant to note that recently,  
7 we completed our comprehensive review of 10 CFR Part  
8 37. Which are the physical protection requirements  
9 for Category 1 and 2 quantities of radioactive material.

10 That report, which is publically  
11 available, was sent to Congress in December 2016. And  
12 the results of that assessment will inform our  
13 evaluation of Category 3 source security and  
14 accountability, which is currently underway.

15 That was a quick high level overview of  
16 how we got here. And I've included some resources on  
17 this slide if you want to delve further into the  
18 background. Next slide please.

19 The specific tasks outlined in  
20 SRM-COMJMB-16-0001 that will be addressed in the  
21 Notation Vote Paper are as follows: an evaluation of  
22 the pros and cons of different methods of verifying  
23 the validity of a license prior to transfer.

24 An evaluation of the pros and cons of

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1 including Category 3 sources in the NSTS. An  
2 assessment of any additional options for addressing  
3 the source accountability recommendations made by the  
4 GAO.

5 A vulnerability assessment which  
6 identifies changes in the threat environment between  
7 2009 and today that argue in favor or against expansion  
8 of the NSTS to include Category 3 sources. A regulatory  
9 impact analysis of the accrued benefits and costs of  
10 the change to include impacts to the NRC, Agreement  
11 States, Non-Agreement States and regulated entities.

12 A discussion of potential regulatory  
13 actions that would not require changes to our  
14 regulations to include changes to guidance, training,  
15 and other program improvements. An assessment of the  
16 risks posed by the aggregation of Category 3 sources  
17 into Category 2 quantities.

18 Collaboration with Agreement State  
19 partners, Non-Agreement States, regulated entities,  
20 public interest groups, industry groups, and the  
21 reactor community to fully assess the regulatory impact  
22 of any recommendations to be made in the Notation Vote  
23 Paper. And lastly, any other factors to help inform  
24 the Commission's decision. Next slide, please.

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1           For those unfamiliar with some of these  
2 systems, let me provide a brief explanation of the  
3 National Source Tracking System, Web-Based Licensing  
4 System, and the License Verification System.

5           The National Source Tracking System, or  
6 NSTS, was deployed in 2008. And is a web-based system  
7 that accounts for high-risk, radioactive sources from  
8 the time they are manufactured or imported, through  
9 the time of their disposal or export or until they decay  
10 enough to be no longer of concern.

11           While NSTS provides a relatively up to date  
12 accounting system regarding risk significant source  
13 inventories, it is important to note that it is not  
14 a real-time tracking mechanism for sources.

15           Reporting to the NSTS is all after the fact.

16           And the requirements for what is required to be  
17 reported can be found in 10 CFR 20.2207.

18           These requirements include reporting  
19 licensee information, transaction date, source  
20 manufacturer, source model, source serial number,  
21 radioactive material and the source, and source  
22 activity.

23           The typical methods of reporting to the  
24 NSTS include direct reporting via online access,

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1 emailing or faxing the NRC Form 748, or National Source  
2 Tracking Transaction Report, or providing an electronic  
3 batch file to be uploaded into NSTS. Next slide,  
4 please.

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

9 The objectives of the WBL are to provide  
10 an up to date repository of all risk significant or  
11 Category 1 and 2 licenses nationwide. And to provide  
12 an up to date repository of all licenses of the NRC  
13 and three Agreement States who have adopted the use  
14 of WBL.

15 Many States have expressed interest in  
16 using WBL. And we are currently working with several  
17 States towards full use of WBL.

18 WBL is available to State agencies free  
19 of charge. And their adoption of the system and built  
20 in process flows create more consistency in licensing  
21 for the States that use it.

22 States not using WBL directly provide NRC  
23 with their Category 1 and 2 licenses as they are issued  
24 or amended, to be uploaded to WBL by the contractor.

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1           Having the most current Category 1 and 2 licenses in  
2           WBL is essential for functionality of the license  
3           verification system. Next slide, please.

4                       The License Verification System, or LVS,  
5           was deployed in 2013. And is a web-based system that  
6           enables authorized licensees to confirm that a license  
7           is valid and accurate. And that a licensee is  
8           authorized to acquire quantities and types of  
9           radioactive materials being requested.

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

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

20                      Step three, LVS queries the WBL to obtain  
21           the possession limit for Category 1 and 2 authorized  
22           materials and a copy of the license image. Step four,  
23           WBL provides the license information to LVS to compare  
24           the possession limits and current NSTS inventory.

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

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

13           Licensees opting not to have access to LVS  
14 or those receiving a message by LVS to contact the  
15 regulator, must use the manual process to complete the  
16 verification of a license. To facilitate the process,  
17 the transferring licensee may contact our Help Desk  
18 by phone or email to provide the necessary information  
19 to populate the manual license verification report,  
20 or NRC Form 749. Next slide, please.

21           To get access to these systems, applicants  
22 have to go through our credentialing process. The  
23 credentialing process typically takes about a month  
24 to complete and includes a verification of employment,

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1 a determination that the person has a need to know,  
2 and an identity proofing step to verify that the person  
3 applying for a credential is who he or she claims to  
4 be.

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

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

17           A one time password, or OTP, is a password  
18 that is valid for only one login session. The NRC  
19 currently offers three options for OTPs, a card, a  
20 token, or a smartphone app.

21           An OTP is provided to a user free of charge.  
22           And no software installation is necessary. Next  
23 slide, please.

24           Some of the enhancements that are under

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1 consideration for this reevaluation are, verification  
2 of Category 3 licenses through the License Verification  
3 System or the regulatory authority as is done with  
4 Category 1 and 2 licenses; inclusion of Category 3  
5 sources in NSTS as is done with Category 1 and 2 sources;  
6 and expanding physical security requirements to include  
7 Category 3 quantities of radioactive material along  
8 with Category 1 and 2 quantities of radioactive  
9 material.

10 These potential enhancements form the  
11 basis for the questions in the Federal Register Notice  
12 that we issued on the subject back on January 9, 2017.

13 Next slide, please.

14 The FRN has 22 questions that are separated  
15 into sections based on the topics and applicability  
16 to relevant stakeholders. These include general  
17 questions related to license verification, general  
18 questions related to the NSTS, specific questions for  
19 licensees related to license verification, specific  
20 questions for licensees related to the NSTS, specific  
21 questions for Agreement States related to license  
22 verification, specific questions for Agreement States  
23 related to the NSTS, and other questions.

24 The NRC wants to clarify while the Federal

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1 Register Notice included questions directed towards  
2 particular stakeholders, the NRC is actually looking  
3 for comments and responses from all members of the  
4 public on all questions.

5 The FRN grouped questions in a particular  
6 fashion to facilitate input from some stakeholders that  
7 may wish to provide some input to this activity, but  
8 may have limited resources to do so. But all members  
9 of the public are welcome to provide their thoughts  
10 on any of the listed questions. Next slide, please.

11 So, before we move onto the comment period  
12 of -- comment portion of this meeting, I did want to  
13 include a slide to show the different thresholds for  
14 Category 1, 2 and 3 quantities of radioactive material.

15 As you can see from the table, the Category  
16 3 threshold is greater than one-tenth of the Category  
17 2 threshold, but less than the Category 2 threshold.

18 Also of note is that the list of radionuclides that  
19 are currently subject to physical security requirements  
20 in 10 CFR Part 37 is different than the list of  
21 radionuclides included in NSTS.

22 The four radionuclides highlighted in the  
23 table are the radionuclides that are included in NSTS  
24 but not subject to 10 CFR Part 37. And the main reason

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1 for these four radionuclides included in NSTS are  
2 because the Department of Energy likely possesses these  
3 isotopes and they do report to the NSTS.

4 I will now turn the meeting back over to  
5 George to solicit comments from meeting participants.

6 MR. SMITH: Thank you, Irene. Before we  
7 move on, are there any questions on Irene's slides?  
8 Angela, are there any indications of comments on the  
9 telephone line?

10 OPERATOR: Let me remind participants, if  
11 you'd like to ask a question, please press star one.  
12 And there's none at this time.

13 MR. SMITH: Okay. We'll give it a couple  
14 of seconds. Gina, any indications on the web?

15 MS. DAVIS: I have no comments at this  
16 time.

17 MR. SMITH: Okay. We'll give it a couple  
18 of seconds in case you have any comments on Irene's  
19 slides.

20 Okay. So we'll now transition into the  
21 comment portion of the meeting. As a reminder, we do  
22 not plan to provide specific responses to stakeholders'  
23 feedback during this meeting.

24 We're specifically seeking comments from

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1 stakeholders today. We will use these comments to form  
2 our evaluation and recommendations. We will prepare  
3 a document summarizing all of the comments we receive  
4 today, at other meetings, and written comments that  
5 will be part of the Notation Vote Paper to be submitted  
6 to the Commission in August 2017.

7 Please do not provide non-public official  
8 use only safeguards and/or classified information  
9 related to a specific facility. And as a reminder,  
10 this meeting is being transcribed.

11 Before providing comments today, please  
12 state your name and the name of the organization, if  
13 any, that you're representing. The first questions  
14 are general questions related to the license  
15 verification.

16 So question one. Should the current  
17 method for verification of licenses prior to  
18 transferring Category 3 quantities of radioactive  
19 material listed in 10 CFR 30.41(d)(1)-(5), 10 CFR  
20 40.51(d)(1)-(5), and 10 CFR 70.42(d)(1)-(5) be changed  
21 such that only the methods prescribed in 10 CFR 37.71  
22 are allowed?

23 And as you can see on the slides, we've  
24 included a summary of the five methods of license

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1 verification that are described in 10 CFR Part 30, 40  
2 and 70. Angela, are there any indications of comments  
3 on the phone line?

4 OPERATOR: There are no comments or  
5 questions at this time.

6 MR. SMITH: Okay. Thank you. Gina, any  
7 indication of comments?

8 MS. DAVIS: No comments.

9 MR. SMITH: Okay. So we'll give it a  
10 couple of seconds. And you'll hear me reiterate  
11 throughout the meeting today that if we cover some  
12 questions and you have comments on those questions,  
13 we welcome your comments at any point in time although  
14 we've passed those questions up.

15 You can always go back and provide those  
16 comments. And we welcome those comments from all  
17 stakeholders.

18 Okay. Not hearing any comments, we'll  
19 move to question number two. Would there be an increase  
20 in safety and/or security if regulations were changed  
21 to only allow license verification through the NRC  
22 License Verification System, LVS, or the transferee's  
23 license issuing authority for transfers of Category  
24 3 quantities of radioactive material? If so, how much

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1 of an increase would there be?

2 Are there any clarifying remarks, Irene  
3 or Duncan?

4 MR. WHITE: Not at this time.

5 OPERATOR: You have a question on the  
6 phone.

7 MR. WHITE: Please go ahead.

8 OPERATOR: Jennifer, your line is open.

9 MS. OPILA: This is Jennifer Opila with  
10 the State of Colorado Radiation Program. I just wanted  
11 to make a comment actually. And it's just a general  
12 comment. So I apologize, it doesn't flow well exactly  
13 with the questions.

14 But, I'm not sure how many of you listened  
15 in this morning on the webcast of the Commission's  
16 meeting. But when the discussion turned to Category  
17 3 source security and accountability efforts, Dan  
18 Collins was asked, you know, what are you hearing from  
19 the Agreement States on this issue?

20 And after summarizing a couple of salient  
21 points he basically said that we're not hearing from  
22 the Agreement States that we shouldn't expand the  
23 requirements to Category 3. But the Agreement States  
24 are concerned about the impact.

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1           And I just wanted to make a comment that  
2 I'm not sure that that's exactly accurate. I think  
3 that a lot of the Agreement States have not had a chance  
4 yet to comment. And that there is one more week left  
5 in the comment period.

6           And from what I have been hearing from  
7 Agreement States, and including my comment that I  
8 submitted yesterday that, you know, I don't believe  
9 that -- well, from my Agreement State, we are not in  
10 favor of expansion of the requirements to Category 3.

11           And I'm not sure that you can say that  
12 Agreement States as a whole are in favor. Thank you.

13           MR. SMITH: Okay. Thank you for your  
14 comments, Jennifer. Duncan, you were going to give  
15 some clarifying remarks on question two?

16           MR. WHITE: No. No.

17           MR. SMITH: No? Okay. Angela, are there  
18 any other indications of stakeholders who have comments  
19 on the phone?

20           OPERATOR: Yes. One moment. Mary, your  
21 line is open.

22           MS. SHEPHERD: Thank you. Hi, Mary  
23 Shepherd with Shepherd and Associates. My concern and  
24 comments on this is for Cat 3 sources, those are in

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1 some areas a GL license.

2 And so you would have to promulgate  
3 regulations on the GL side to be more in conformance  
4 with the specifically licensed device sources for  
5 devices. And this could be very expensive.

6 And I'm not sure how well it will work.  
7 I don't do a lot -- I don't do GLs as part of our business  
8 model.

9 But I think it will be very cumbersome on  
10 like the NDE testing, you know, the nondestructive  
11 testing facility license -- GL type licensing. And  
12 that should be looked at.

13 MR. SMITH: Okay. Thank you, Mary. I'd  
14 also like to state that if you have any follow up  
15 comments on any of these statements that are made today,  
16 you're more than welcome.

17 I may move forward prior to someone having  
18 an opportunity to chime in on the web or on the phone  
19 line. But again, you know, we welcome any comments  
20 and we're willing to revisit any of the questions that  
21 we're -- or statements that were made prior.

22 Angela, any other indications of comments  
23 on the phone line?

24 OPERATOR: Not at this time. But as a

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1 reminder, please press star one.

2 MR. SMITH: Okay. Gina, any indications  
3 on the web?

4 MS. DAVIS: Yes. We do have a question  
5 from Joseph Rizzi.

6 When referring to Category 3 sources,  
7 sometimes Category 3 quantities is used. So is the  
8 source related only to sealed sources? Or any source  
9 of radioactivity?

10 MR. WHITE: This is Duncan White of the  
11 NRC. And we -- when we refer to Category 3 quantities,  
12 there are certain circumstances where you would have  
13 a device material like in -- loose material what's  
14 inside of a typical unit like a pump at a nuclear power  
15 plant that may -- total quantity may be up to a Category  
16 3 quantity.

17 Another example would be bulk material  
18 shipped for manufacturing sources maybe Category 3  
19 quantity or higher. Again, bulk material is not a  
20 sealed source per se. But it's a -- in total it's a  
21 Category 3 quantity.

22 So, we will sometimes use the word source,  
23 sometimes use the word quantity. But again, it's --  
24 what we're asking for here in these questions would

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1           pertain to either sort of circumstances.

2                       And again, we appreciate your input on it.

3                       MS. WU:   Yes.   This is Irene Wu with the  
4           NRC.   I just wanted to add to that.   So, if you recall  
5           from an earlier slide, I made the distinction between  
6           the radionuclides covered under Part 37 versus Part  
7           20 for the National Source Tracking System.

8                       And so all the -- this first question which  
9           pertains to license verification that's why you see  
10          the terminology in terms of Category 3 quantities.  
11          Because a license verification for Categories 1 -- for  
12          Category 1 and 2 of quantities of radioactive material  
13          falls under Part 37.

14                      We talk about the National Source Tracking  
15          System, those are all just sources -- sealed sources.

16                      And so you'll see the questions later that pertain  
17          to NSTS will all be talking about Cat 3 sources.

18                      MR. SMITH:   Okay.   Thank you for your  
19          comments.   Angela, any indications of other comments?

20                      OPERATOR:   Not at this time.

21                      MR. SMITH:   Gina, any comments for --

22                      MS. DAVIS:   I have no further comments.

23                      MR. SMITH:   Okay.   Okay.   We're going to  
24          move onto question number three.

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1                   If the NRC changed --

2                   MS. DAVIS: So we do have a question that  
3 just came in from Clayton Bradt. The root problem has  
4 to do with ease of company formation in the United  
5 States.

6                   There are no barriers for malevolent actors  
7 who form a legitimate corporation in any State. Once  
8 incorporated, there is no way to deny a license to such  
9 a company.

10                  In addition, any potential terrorist group  
11 with sufficient funding can acquire a legitimate  
12 business. How will NRC's proposed actions eliminate  
13 these possibilities?

14                  MR. WHITE: This is Duncan White for the  
15 NRC. A little later on we're going -- when the topics  
16 of the Commission talked about -- asked us to look at  
17 in the SRM that was referred to earlier, to talk about  
18 the type of actions we would undertake to address some  
19 of the issues identified in the GAO sting.

20                  One of the things that we are in the process  
21 of working on is enhancing our pre-licensing guidance.

22                  Again, this is an area that -- this is a part of our  
23 licensing program that we've been using for several  
24 years.

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1           And we can -- as a result of the GAO sting  
2 we're taking steps to enhance it. That's one area that  
3 we're looking at.

4           But again, we have -- part of the working  
5 group's activity that is working on this particular  
6 SRM is looking at other options to, you know, to enhance  
7 security of the sources prior to people -- prior to  
8 getting a license, prior to getting them.

9           And again, one of those areas we are looking  
10 at in particular is generally licensed devices. We  
11 have a question later on in the -- and we'll ask for  
12 input on that. But that's one area that we're aware  
13 of that we will be needing to address.

14           Thanks for the comment.

15           MR. SMITH: Thank you very much. Angela,  
16 any indications of comments on the phone line?

17           OPERATOR: Yes.

18           MR. SMITH: Okay.

19           OPERATOR: The next question comes from  
20 James. Your line is open.

21           MR. MATTERN: Yes. This is James Mattern  
22 calling. I'm over at the NIH. And I guess some of  
23 the comments that were brought up earlier gave basically  
24 -- reflect our position also.

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1           One of the comments though was on the  
2 aggregate of byproduct material. Okay? We have set  
3 the time units. Licensing came up here with regard  
4 to byproduct material and how these regulations would  
5 affect that.

6           You guys, or the NRC's position is that  
7 it's not specifically sealed sources and the like.  
8 But these amounts generated would not necessarily be  
9 in one specific location. I mean, they maybe in, you  
10 know, a few different targets or, you know, a couple  
11 of different rooms or facility locations.

12           So, how would this affect operations here?  
13 Do you have any guidance on that?

14           MR. WHITE: This is Duncan White of the  
15 NRC. With regard to aggregation of sources, currently  
16 the current regulations in Part 37 for Category 1 and  
17 Category 2 sources do talk about aggregation or  
18 co-location of sources.

19           That if you have certain quantities of  
20 materials separated, you know, by physical barriers,  
21 they're not considered counted together.

22           For example, they maybe -- you know, you  
23 may have a warehouse and them be in separate areas of  
24 the warehouse separated by gates or doors or walls or

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1 something like that. They wouldn't count together as  
2 a single and aggregated quantity.

3 With regard to Category 3 we are looking  
4 at aggregation. Again, -- and again, how we would apply  
5 the rules of aggregation to Category 3. So you have  
6 a bunch of Category 4 sources to get to Category 3.

7 Would we necessarily apply the same rules  
8 as we now apply for Part 37? We don't know that. That  
9 would have to be part of rulemaking and getting input  
10 from the States and from the regulate -- you know, from  
11 licensees and the public.

12 So, we would -- so we can't say exactly  
13 this applies the same way. But if you -- for example  
14 if today, if we try to apply it, we'd use for Cat 1  
15 and 2 and Part 37 for Cat 3.

16 It would be some sort of rules in place  
17 about aggregation. About, you know, where they -- the  
18 physical separation of them.

19 So, that's one thing we are looking at.  
20 And I think we're look -- certainly think for example  
21 for Cat 3 there should be a different set of standards  
22 for aggregation compared to Cat 1 and 2.

23 We certainly would appreciate any input  
24 on that also.

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1 MR. MATTERN: Okay.

2 MR. SMITH: James, do you have any specific  
3 concerns relating to aggregation of material in  
4 Category 3? Any kind of specific burden or anything  
5 that you'd like to provide for us?

6 MR. MATTERN: Is that a question directed  
7 back to me?

8 MR. SMITH: Yes. I'm just clarifying just  
9 to make sure we capture all your comments.

10 MR. MATTERN: Oh, yes. No. The scenario  
11 basically came up because there's a certain cyclotron  
12 procedure that produces some Cobalt-60.

13 Start pushing the 800, I guess, military  
14 limits for Cat 2. But that would push it up into a  
15 Cat 3 if it goes over that. And plus, you know, if  
16 it, you know, if I'm at 600 in one room and 600 in another  
17 room, you know, then it starts getting kind of muddied  
18 a little bit, you know.

19 All of a sudden do we start having to  
20 reporting -- or do we have to start reporting all this  
21 Cobalt-60 that's being produced? And you know, I know  
22 it's kind of strange, I've actually come back into the  
23 NRC realm after being in an Agreement State area for  
24 a while.

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1           But, you know, NRC's regulation of  
2           cyclotrons and accelerators is relatively new also.  
3           So, we were just wanting to know what your positions  
4           were on these types of byproduct materials that would  
5           be produced by specifically cyclotrons or accelerators.

6           You know, but me, I have, you know,  
7           significant experience as far as accelerator research  
8           react -- or I mean, research reactor byproduct material  
9           productions. You know, that's a no-brainer.

10           But, with this, it's a little bit  
11           different.

12           MR. SMITH: Oh, okay. Thanks.

13           MR. MATTERN: It's not we're producing to  
14           manufacture or distribute, it's just the nature of the  
15           beast. You know what I'm saying?

16           MR. SMITH: Right. All right. Great,  
17           thanks.

18           MR. WHITE: This is Duncan White. I have  
19           one more thing. We are implementing Part 37 in Cat  
20           1 and 2, we did issue -- got a couple of guidance  
21           documents on that.

22           And if we did promulgate regulations with  
23           regard to Cat 3 or whatever we decide to do, there would  
24           be also additional guidance documents issued. And one

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1 of the things obviously we would, you know, look to  
2 address would be issues such as this.

3 So, that's something we would certainly  
4 try to take into account. And try to address prior  
5 to the regulations being -- if we can do regulations,  
6 to do that also.

7 MR. SMITH: Okay. Thank you Duncan.  
8 Thank you James for your comment.

9 I understand we do have a comment on the  
10 web?

11 MS. DAVIS: Yes. We have a follow up  
12 question from Clayton. If I understand Duncan's  
13 response to my question, closing the regulatory gaps  
14 that enable the GAO sting to succeed is not the intent  
15 of NRC's proposed actions. Please verify.

16 MR. WHITE: This is Duncan White. I think  
17 we can do a number of things to address vulnerabilities  
18 and try to, you know, make radioactive materials as  
19 secure as possible. I don't think there's any way we  
20 can, you know, make that 100 percent, you know, fool  
21 proof.

22 And I think the best we can do is, you know,  
23 we could take reasonable actions to close those gaps.

24 The other thing -- the other thing -- one thing we

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1 were doing as part of this initiative here is to look  
2 at cost benefit of the viability of doing certain  
3 things.

4 Obviously we can spend a hell of a lot of  
5 money and put a lot of regulations into place to secure  
6 radioactive material. But it would be, you know,  
7 detrimental -- cost wise, it would be detrimental.

8 It would be detrimental to the use of the  
9 material. So, one of the things we are looking for,  
10 you know, from Agreement States, licensees, the public  
11 is, you know, say these are qualitative or quantitative  
12 input on, you know, what the impacts would be.

13 Again, you know, is this at -- certainly  
14 we would, I think, trying to make this virtually  
15 foolproof would be extraordinarily expensive. And  
16 not, you know, not a reasonable thing to do.

17 Or there may be more reasonable approaches  
18 to do. And they maybe more cost -- from a cost benefit  
19 standpoint, a more viable approach.

20 So again, you can make comments today or  
21 decide to write in comments later, we certainly would  
22 appreciate anything along those lines.

23 MR. SMITH: Okay. Thank you.

24 MS. DAVIS: And one more comment from the

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1 webinar. Is there going to be a reporting requirement  
2 for non-sealed source Cat 3 material. From Joseph  
3 Rizzi.

4 MR. WHITE: This is Duncan White. Again,  
5 that's something we would consider, you know, when we  
6 get to that stage of -- if we decide to write rules  
7 along those lines, that's something we'd have to  
8 consider along those lines.

9 MR. SMITH: Okay.

10 MR. WHITE: It's too early to tell that.

11 MR. SMITH: Angela, any indications of  
12 statements or comments on the phone?

13 OPERATOR: Yes. We do. Mary, your line  
14 is open.

15 MS. SHEPHERD: Hi. Mary Shepherd. With  
16 the adoption of Cat 3 there is a concern regarding the  
17 medical isotopes used in diagnostic and therapeutic  
18 treatment.

19 And if Cat 3 is adopted, there's also  
20 patient care and patient, potential patient  
21 restrictions that need to be looked at also.

22 MR. SMITH: Okay. Thank you.

23 MS. WU: Thank you for the comment.

24 MR. WHITE: Yes.

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1 MR. SMITH: Any indications of other  
2 comments on the web?

3 MS. DAVIS: No comments at this time.

4 MR. SMITH: Angela, any comments on the  
5 phone line?

6 OPERATOR: No further comments.

7 MR. SMITH: Okay. And as a reminder too,  
8 I like to make sure when you're making a comment, make  
9 sure you do not get into any official use only  
10 information, safeguard information, or classified  
11 information, or specific information about any specific  
12 facility. Just as a reminder.

13 Question number three. If the NRC changed  
14 the regulations to limit license verification only  
15 through the LVS or transferee's license issuing  
16 authority for transfers of Category 3 quantities of  
17 radioactive material, should licensees transferring  
18 Category 3 quantities to manufacturers and distributors  
19 be excepted from the limitation?

20 Any clarifying remarks?

21 MR. WHITE: This is Duncan White. Again,  
22 what we're looking for here is to -- is there options  
23 to -- requiring both the end user and the manufacturer  
24 to verify particularly if there is a relationship where

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1 there's routine interaction between the two of them,  
2 is there some other options here to accomplish the same  
3 thing?

4 This is kind of where this question is  
5 going. So, we've provided a particular scenario here.

6 But again, there maybe other ones. Again, we're  
7 looking for input along those lines.

8 MR. SMITH: Okay. Great, thanks. There  
9 is an indication of a comment on the web. Gina?

10 MS. DAVIS: Yes. This comment is from  
11 David Huber. Would a corporation holding licenses with  
12 NRC and multiple Agreement States be required to verify  
13 transfers between licenses held by that corporation?

14 MS. WU: So this is Irene Wu at the NRC.  
15 Currently under Part 37 the guidance that we have in  
16 NUREG-2155 is that those license verifications do not  
17 have to, or if they for transfers between licenses held  
18 by that -- the same corporation.

19 MR. SMITH: Yes. But for Category 3, it's  
20 all the pre-going rulemaking?

21 MS. WU: Right. So for Category 3 we would  
22 have to look to see if, you know, let's say if we would  
23 want to consider the same. But again, that -- we're  
24 early in the process. And it would have to go through

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1 rulemaking.

2 MR. WHITE: Again, this is Duncan White.

3 Again, we would appreciate any input since we're  
4 dealing with Cat 3 with potentially less, you know,  
5 less dangerous sources here.

6 What should we scale back the requirements  
7 for any transfers? Again, we're not, you know, we could  
8 put everything -- if we do rulemaking, we can make  
9 everything the same as for Cat 1 and 2. We can do that.

10 But, is there something we should scale  
11 back on it? You know, if we should do something, should  
12 it be scaled back or not?

13 Again, any input or any comments that would  
14 be appreciated.

15 MR. SMITH: Well for part are you saying  
16 that the requirements -- do they believe it should be  
17 graduated?

18 MR. WHITE: Yes. Is that --

19 MR. SMITH: Is that going to make a  
20 difference?

21 MR. WHITE: Because that's -- no, again  
22 -- again, it all depends on rulemaking.

23 MR. SMITH: Um-hum.

24 MR. WHITE: But it will -- but again, what

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1 we're looking for is input on -- from, you know, from  
2 anyone on the webinar, should it be something to scale  
3 back? Something less stringent say then what's for  
4 Cat -- for Part 37 right now.

5 MR. SMITH: Right. Thanks. Angela, any  
6 indications of comments on the phone line?

7 OPERATOR: Yes. I do have a few. The  
8 next one comes from Greg. Your line is open.

9 MR. STONE: Yes. This is Greg Stone,  
10 South Texas Project Electric Generating Station. And  
11 you know, being a larger producer if we go down to a  
12 Category 3 in requiring this, it's going to be a large  
13 burden on us.

14 Because practically everything that we  
15 send off site is going to meet the Category 3 definition.

16 And we're sending stuff to, you know, some places like  
17 burial sites that have three million curies available  
18 to them.

19 And you know, the LVS from my experiences  
20 so far, I haven't been able to even make it work. I'm  
21 having to contact the Agreement State license issuer  
22 on all every time I have to send the materials.

23 So, I just believe that, you know, if you're  
24 going to grant exemptions you ought to consider large

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1 generators like us that send to places with huge license  
2 abil -- or license quantities available.

3 MR. WHITE: Thanks for the comment.

4 MR. SMITH: Great. Thank you very much  
5 Greg. Angela, any additional comments on the telephone  
6 line?

7 OPERATOR: Yes. I do have a few more.

8 MR. SMITH: Okay.

9 OPERATOR: Brian, your line is open.

10 MR. DODD: Yes. This is Brian Dodd. I'm  
11 retired. I was at the IAEA when they set off all of  
12 the source classification system and SECYs and securing  
13 the sources and the categorization code of conduct.

14 And I was one of the independent  
15 consultants of the reviewing process. So, I'm already  
16 on record as stating my opinion. But, I just wanted  
17 to have another opportunity here to remind people that  
18 the IAEA tried to classify the instances.

19 But the Cat 3 sources are regarded as  
20 dangerous. That means that they are capable of causing  
21 severe deterministic checks or if you get them in an  
22 uncontrolled environment.

23 And therefore I strongly believe and as  
24 I mentioned in my report that there should be a graded,

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1 not exactly the same as Cat 1 and Cat 2, but graded  
2 system security associated with Category 3. And  
3 certainly should include in the NSTS and the License  
4 Verification System.

5 And the rest of it should be, as I  
6 mentioned, graded according to less than Cat 2, but  
7 more than what is generally done under Part 20 right  
8 now. Thank you.

9 MR. SMITH: Great. Thanks Brian. Good  
10 hearing from you. Any indications of -- oh, Angela,  
11 there are more comments on the phone line?

12 OPERATOR: Yes. We do have a couple more.

13 MR. SMITH: Okay. And while you're  
14 connecting those folks, again, if there are any previous  
15 comments or questions you'd like to make comments on,  
16 we welcome those comments at any time.

17 The, you know, the meeting moves fast and  
18 you may not have an opportunity to post your comments  
19 on the web or get in to make the comments on the phone  
20 line. So, we'd like any comments on any of your  
21 questions at any time.

22 Go ahead Angela.

23 OPERATOR: The question comes from Scott.  
24 Your line is open.

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1 MR. WINTERS: Hi. This is Scott Winters  
2 with Vega America in Cincinnati, Ohio. I would concur  
3 with Mr. White that there does need to be a consideration  
4 for a variance in the security criterias.

5 Particularly for Cat 3 for looking at  
6 trying to make that universal a Cat 1 and Cat 2 that  
7 would be definitely a burden that we would anticipate  
8 for a lot of the people that we distribute to either  
9 under carry license for a specific license.

10 Basically when we're talking about a fixed  
11 gauge, and again with Category 2 sources are fixed  
12 gauges, you know, adding another chain with a lock  
13 around something that's already mounted to a vessel  
14 that already has a preliminary and secondary security  
15 system kind of seems over-redundant and not effective.

16 So, that would be, you know, one -- we'll  
17 obviously be providing a host of comments to you before  
18 the 10th. But I just want to throw that out there.

19 MR. SMITH: Great. Thank you Scott.  
20 Angela, any additional comments?

21 OPERATOR: Yes. We have a follow up from  
22 James.

23 MR. MATTERN: Yes. Hold on just one  
24 second. I guess our position was that you know, if

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1 specifically asked if there should be an exemption and  
2 we feel that yes, there should be just an exemption.

3 The primary Category 3 source that we're  
4 looking at is for an HDR unit which uses Iridium-192.

5 And the only transactions that actually occur, we get  
6 our source from the manufacturer.

7 And then the manufacturer comes and takes  
8 out the decayed source that has been used. And packages  
9 it. And then puts in the new source. And we ship off  
10 the old source back to the manufacturer.

11 So as far as having to get on LVS and do  
12 all this, we think that yes, there should be an exemption  
13 for that. You know, the one guy from South Texas  
14 Project gentleman, he brings up his concerns about the  
15 burden. His situation's obviously different.

16 But, we kind of look at it, and it's not  
17 so much going to be a burden for us. We're almost kind  
18 of acting as a devil's advocate for the smaller  
19 hospitals out there who aren't actually -- they haven't  
20 been snared in this LVS and NSTS net you have.

21 But if they have an Iridium-192 HDR unit,  
22 they will be if this goes through, so.

23 MR. SMITH: Okay.

24 MR. MATTERN: But that's kind of what our

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1 position is on that. It's left for our benefit, but  
2 the question needs to be brought up just for the benefit  
3 of all the other community hospitals out there.

4 It's pretty well a self-contained transfer  
5 both ways. You know? So, and I mean as far as the  
6 GAO sting, I don't know the exact details on that, but  
7 it's pretty obvious when someone's representing that  
8 they're a hospital, they probably have some kind of  
9 license in place anyway, whether it's through an  
10 Agreement State or through the NRC.

11 So, you know, I think that, you know, that  
12 should be looked at. At least for them.

13 MR. WHITE: Yes. This is Duncan White.  
14 The GAO sting was in part to evaluate NRC's ability  
15 to ensure that only people with radioactive material  
16 were indeed -- that's what they intended to use it.  
17 They were not going to use for malevolent use.

18 And that was the intent of our  
19 pre-licensing guidance which we developed in 2008.  
20 And which they tested in 2015. So, this was one area  
21 we need -- we certainly would need to enhance.

22 But we appreciate the comment about, you  
23 know, if we have -- if we were doing a transfer back  
24 and forth between the customer and the manufacturer,

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1 and this is the only transfer back and forth, then we  
2 have -- you do have two known entities there.

3 So again, for Cat 3 sources, you know,  
4 that's something that, you know, we may -- we'll  
5 certainly appreciate the input and take into  
6 consideration.

7 MR. MATTERN: Okay. Well, thank you. I  
8 appreciate it.

9 MR. SMITH: Great. Thank you. Angela,  
10 any additional comments on the telephone line?

11 OPERATOR: No further comments.

12 MR. SMITH: Okay. We're going to move  
13 onto question number four.

14 Is there anything else we should consider  
15 when evaluating different methods of license  
16 verification prior to transferring Category 3  
17 quantities of radioactive material?

18 We'll give it a couple of seconds. Angela,  
19 any indication of comments on the phone line?

20 OPERATOR: No comments at this time.

21 MR. SMITH: Gina, any indications of  
22 comments on the web?

23 MS. DAVIS: No comments on the web.

24 MR. SMITH: Okay. If there are no

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1           comments, we'll go onto the next set of questions.  
2           So these questions are general questions related to  
3           the National Source Tracking System or NSTS.

4                        So question one.     Should Category 3  
5           sources be included in the NSTS?   Please provide a  
6           rationale for your answer.

7                        Okay.   There's an indication of a question  
8           or a comment on the web.

9                        MS. DAVIS:   Yes.   This comment's from  
10          Clayton.  You should consider that bad people can get  
11          valid licenses.

12                       MR. WHITE:   Thank you for the comment.

13                       MR. SMITH:   Angela, any indications of  
14          comments on the phone line?

15                       OPERATOR:   We have no comments.

16                       MR. SMITH:   Okay.  We'll give it a couple  
17          of seconds to give the opportunities to provide  
18          comments.  Okay.  So we're going to move onto question  
19          number 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 these requirements are in 10 CFR  
24          20.2207(f).

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1           And so as you can see on the slides, we've  
2 included a summary of NSTS reporting requirements and  
3 10 CFR 20.2207(f), which are mentioned on -- which were  
4 mentioned on earlier slides.

5           Any clarifying comments on this?

6           MS. WU: Some of the feedback that we've  
7 -- this is Irene Wu, NRC. Some of the feedback we  
8 received in previous public meetings and webinars on  
9 this question were that instead of doing, you know,  
10 maybe the same reporting requirements as Category 1  
11 and 2 sources, maybe again considering a graded approach  
12 and doing an inventory reporting once or twice a year.

13          MR. SMITH: Great. Thank you. Angela,  
14 any indications of comments on the telephone line?

15          OPERATOR: None at this time.

16          MR. SMITH: Gina, any comments on the web?

17          MS. DAVIS: No comments on the web.

18          MR. SMITH: Okay. Okay. We'll move onto  
19 question number three. And again, if you've got any  
20 questions, any comments on previous questions, please  
21 you can provide those comments at any time via the phone  
22 or the web.

23          Question three. Should the NRC consider  
24 alternatives to the current NSTS reporting requirements

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1 for Category 1 and 2 sources to increase the immediacy  
2 of information availability such as requiring the  
3 source transfers to be reported prior to, or on the  
4 same day as the source shipment date?

5 Gina?

6 MS. DAVIS: Yes. We do have a couple  
7 comments on the web. The first is from David Huber.

8 Including Cat 3 in NSTS would engage approximately  
9 60 small well logging companies and at least three  
10 majors that have not previously used NSTS.

11 The second comment is from Kelly Richardt.

12 We currently report 20 to 30 transfers every day in  
13 NSTS. Adding Cat 3 would raise that by about one-third.

14 MR. WHITE: Thank you for those comments.

15 MR. SMITH: Great. Thanks. Angela, any  
16 comments on the phone line?

17 OPERATOR: At this time, as a reminder,  
18 please press star one.

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

21 MS. DAVIS: This comment is from  
22 Christopher Perry. With Weatherford International  
23 just for our operations the amount of sources that would  
24 have to be added to NSTS would be approximately five

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1 times as many as currently required.

2 And then a second comment from Richard  
3 Karrmann. If when a Cat 2 source decays below the Cat  
4 2 threshold, would licensees be required to take any  
5 additional actions in NSTS?

6 Good question.

7 MS. WU: So this is Irene Wu of the NRC.

8 So right now with NSTS when a source, a Category 2  
9 source decays below a Category 2 threshold, there's  
10 no action that's done -- no action needs to be taken  
11 by the licensee.

12 The source is in NSTS. It just doesn't  
13 appear in our licensee's inventory anymore.

14 Now, if we were to move to Category 3  
15 reporting into NSTS, and again, we're a long way from  
16 that, but if that were to be the case, you know, we  
17 would have to figure out if the same would apply. And  
18 if there would -- again, the information still remain  
19 in NSTS or -- and then just fall out of a licensee's  
20 inventory.

21 So again, we're still early on. But for  
22 existing Category 1 and 2 it does fall out of the  
23 licensee's inventory, but the information is retained  
24 in NSTS.

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1 MR. SMITH: Okay. Any additional  
2 comments on the web?

3 MS. DAVIS: No additional comments.

4 MR. SMITH: Okay. Angela, any comments  
5 on the phone line?

6 OPERATOR: I have no comments.

7 MR. SMITH: Okay. We'll move onto  
8 question four.

9 Would there be an increase in safety and/or  
10 security if the regulations were changed to include  
11 Category 3 sources in NSTS? If so, how much of an  
12 increase would there be?

13 We've received some comments in this area.

14 MR. WHITE: This is Duncan White of NRC.  
15 Most of the comments we received regarding this in  
16 previous webinars and public meetings was that they  
17 do not see an increase in safety and security for adding  
18 material to sources to Categ -- into NSTS.

19 MR. SMITH: Angela, any indications of  
20 comments on the phone line?

21 OPERATOR: No comments.

22 MR. SMITH: Any comments on the web?

23 MS. DAVIS: No comments on the web.

24 MR. SMITH: Okay. And again, if we're

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1 moving too fast and you want to have a -- make a comment,  
2 we can always revisit any questions that we've  
3 previously covered.

4 Hearing no comments, we're going to go to  
5 question five. Is there anything else we should  
6 consider as part of our evaluation of including Category  
7 3 sources in the NSTS?

8 OPERATOR: We do have a follow up question.

9 MR. SMITH: Okay.

10 OPERATOR: James, your line is open.

11 MR. MATTERN: Yes. Just to -- I know I  
12 got in here kind of at the last minute. But I just  
13 had a -- and I guess is it Duncan White, he had a comment  
14 towards the end of question four.

15 And I just wanted to make sure that I heard  
16 him right. There was no increase in safety based on  
17 studies that were done previously? Or --

18 MR. WHITE: No. That's --

19 MR. MATTERN: I didn't quite understand  
20 exactly your complete answer. It kind of drifted off.

21 MR. WHITE: Sorry. Yes, this is Duncan  
22 White. What I was saying, from previous comments we  
23 have received from other webinars and other public  
24 meetings, input from stakeholders has generally been

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1 that they do not see an increase in safety or security  
2 for adding -- to adding Category 3 sources to NSTS.

3 MR. MATTERN: Okay. So, --

4 MR. WHITE: There were no studies or  
5 anything like that.

6 MR. MATTERN: Opinions from stakeholders  
7 outside?

8 MR. WHITE: That is correct.

9 MR. MATTERN: Okay. Okay. That's just  
10 what I wanted to clarify. Because I wasn't sure if  
11 that was your opinion. Or if that was the stakeholder's  
12 opinion.

13 Okay. But I got it now.

14 MR. WHITE: Okay.

15 MR. MATTERN: Thanks for clarifying that.

16 MR. SMITH: Thank you for your comment.  
17 Angela, any additional comments on the phone?

18 OPERATOR: Yes. One moment. Your name  
19 was not recorded. Your line is open.

20 MR. SHROUD: Thank you. This is Greg  
21 Shroud from Gilberton Power. My question is, is with  
22 the NSTS we don't -- we're just Category 3. We use  
23 our sources for a level indication. And we're not in  
24 NSTS at all.

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1           So have you guys looked at anything about  
2           the increased traffic that you guys are going to have  
3           to take in based off of people who have never used the  
4           NSTS? And everyone trying to apply to get access to  
5           it?

6           MR. WHITE: Yes, this is Duncan White of  
7           the NRC. We -- the information that we preliminarily  
8           have regarding the number of Category 3 licensees that  
9           would be impacted by any sort of rule changes or other  
10          requirements from this initiative, there are  
11          approximately 46 hundred Category 3 licenses in the  
12          nation. Both, I guess NRC and Agreement State  
13          jurisdiction.

14          How many sources they would have, we're  
15          not sure. But you can probably say probably mul --  
16          maybe -- again, we have a very rough number, something  
17          around the order of 30 to 40 thousand sources.

18          Again, that's a -- again, that's not a rough  
19          number. To put that in context of what we do now for  
20          Category 1 and 2 sources, there are approximately 14  
21          hundred Category 1 and Category 2 licensees nationally  
22          with the NRC and Agreement States. And there's  
23          approximately 75 to 80 thousand sources in NSTS that  
24          are.

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1           So, we think we've -- to answer your  
2 question, we believe that the system is clearly designed  
3 to handle the amount of traffic.

4           But clearly, there is other things that  
5 we would have to consider from the impact of handling,  
6 you know, three times as many licensees. Which -- many  
7 of which have no prior experience using these systems.

8           Again, there would be a, you know, a  
9 significant burden on -- there would be a burden on  
10 us, the regulators, and a burden on certainly the  
11 licensees would have to be using the systems for the  
12 first time.

13           Thanks for the question.

14           MR. SMITH: Thank you very much. Any  
15 questions on the web?

16           MS. DAVIS: Yes. We have a few questions.

17           The first is from Joseph Rizzi. What is the NRC's  
18 position on the increase in safety and security?

19           MR. WHITE: This is Duncan White. The re  
20 -- again, we're not taking a position one way or the  
21 other on this particular issue.

22           And again as we said at the top of this  
23 webinar, we're seeking people's input. Again, we're  
24 not going to be providing any feedback on that.

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1           Again, part of our evaluation is to look  
2           at that. And again, one of our taskings for the  
3           Commission in the paper for later this year is to make  
4           recommendations along those lines.

5           So, when we're looking at it, we haven't  
6           formed a position. But this is why we're having these  
7           webinars and public meetings so to get people's input  
8           on that to form our decision.

9           Thanks for the question.

10          MR. SMITH: Okay. We have another?

11          MS. DAVIS: Yes. Another comment from  
12          Clayton. No study has been done on the efficacy of  
13          the NSTS has been conducted.

14          MS. WU: Thank you for the comment.

15          MR. SMITH: Okay.

16          MS. DAVIS: A third question from Kelly  
17          Richardt. Has NRC considered scaling back on current  
18          requirements to verify receipt of Cat 1 or Cat 2 sources  
19          to both the -- both to the shipper and in NSTS?

20          MS. WU: So this is Irene Wu at the NRC.

21          I'm not aware of having looked -- I'm not aware of  
22          us looking at whether we should scale back current  
23          requirements for Category 1 and 2 licensees and their  
24          reporting to NSTS.

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1           However, as part of this evaluation if you  
2           feel that is something we should consider, please  
3           provide us that feedback.

4           MR. SMITH: Okay Angela, any comments on  
5           the phone line?

6           OPERATOR: No comments.

7           MR. SMITH: Okay. Okay, hearing no  
8           comments, we're going to move onto the next set of  
9           questions.

10           So the next set of questions were specific  
11           for licensees related to license verifications per the  
12           Federal Register Notice. However, we'd like to  
13           emphasize the fact that we would like to get  
14           perspectives from all stakeholders.

15           So if you're not a licensee or if you are  
16           a licensee, regardless we would like to hear comments  
17           from all stakeholders. So, the first question.

18           It currently takes approximately one month  
19           to get credentialed to access the LVS. If you currently  
20           do not have online access to LVS, and the NRC establishes  
21           new requirements for license verification involving  
22           Category 3 quantities of radioactive material, would  
23           you be inclined to sign up for the online access, or  
24           would you use alternative methods for license

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1 verification such as emailing the NRC Form 749? And  
2 this is the Manual License Verification Report, to the  
3 LVS Help Desk or calling the license-issuing regulatory  
4 authority directly?

5 Okay, any clarifying remarks?

6 MS. WU: This is Irene Wu with the NRC.  
7 So some of the real point behind this question is that  
8 we've seen is the number of transfers that licensees  
9 are doing, you know, if they are not doing transfers  
10 very often, then that might push a licensee to just  
11 go with the manual process.

12 Some of the other feedback too would be  
13 that we've received is, and this again is for Category  
14 1 and 2 licensees that their familiarity and comfort  
15 level with, you know, IT systems if they prefer to use  
16 the emailing and the faxing, or contacting the Help  
17 Desk over having another log in and password to  
18 remember, that's also another reason why we've seen  
19 folks prefer to use the manual method then the online  
20 method.

21 MR. SMITH: Great. Thank you. Gina, any  
22 comments on the web?

23 MS. DAVIS: No further comments on the web.

24 MR. SMITH: Angela, any comments on the

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1 phone line?

2 OPERATOR: No comments.

3 MR. SMITH: Okay. We'll give it a couple  
4 of seconds. And then we'll move onto the question two.

5 And again, like I've said, the point that  
6 we'd like to have comments from all stakeholders for  
7 all of the questions that we're going over today in  
8 today's meeting.

9 So, question number two. Approximately  
10 how many transfers involving Category 3 quantities of  
11 radioactive material do you do monthly? What  
12 percentage involves transfers directly to and from a  
13 manufacturer?

14 Any comments on the web?

15 MS. DAVIS: No comments on the web.

16 MR. SMITH: Angela, any comments on the  
17 phone line?

18 OPERATOR: No comments.

19 MR. SMITH: Okay.

20 MR. WHITE: Yes. This is Duncan White at  
21 the NRC. Again, the information we've been hearing  
22 is that for the two main -- there's actually three main  
23 groups of licensees that would be impacted by this.

24 For HDRs, as someone already spoke to, the

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1 transfers are directly between the manufacturer and  
2 the end user. For well logging we know that that's  
3 -- there's less of that going on. In fact there's  
4 probably a bunch more transfers between licensee to  
5 licensee.

6 And then the other category on this is for  
7 gauges again. Gauges I only know that for the most  
8 part once they're installed, they stay there for long  
9 periods of time.

10 We assume that they would be transferred  
11 back to the manufacturer. But again, we're not that  
12 for sure.

13 So, the reason for the question is we're  
14 just trying to get a sense is you know, that you know,  
15 where the transfers are going. Because again, they're  
16 back and forth from the manufacturer to the licensee  
17 that would help us inform us on how we make  
18 recommendations going forward.

19 Because again, we would -- obviously would  
20 be going back and forth to a manufacturer. If the  
21 verification would be a lot easier then say from  
22 licensee to licensee.

23 MR. SMITH: Okay. There's a comment on  
24 the web. Gina?

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1 MS. DAVIS: Yes. The comment is from  
2 Kelly Richardt. We understand that there are  
3 approximately four thousand to five thousand HDR source  
4 transfers annually that would require NSTS, LVS, et  
5 cetera.

6 MR. SMITH: Thank you for the comment.  
7 Angela, any additional comments on the phone line?

8 OPERATOR: No comments.

9 MR. SMITH: Okay. Thank you. We're  
10 going to move onto question number three. Should  
11 license verification be required when transferring to  
12 an established manufacturer?

13 Okay. An indication of a comment on the  
14 web.

15 MS. DAVIS: Yes. This question's from  
16 Joseph Rizzi. If a licensee has an aggregate amount  
17 of a Cat 3 radioactive material and they transfer a  
18 quantity which brings them below the Cat 3 amount, is  
19 that reportable?

20 MR. WHITE: Thank you for that comment.  
21 Again, as we said early on, again we're still  
22 formulating our opinions on how Cat 3 transfers would  
23 work.

24 And we would, you know, this is something

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1 we would have to take into considerations when we're  
2 looking at that level of detail. Right now we haven't,  
3 you know, that would be something that we would cover  
4 by regulations potentially that we would have to write  
5 and work on.

6 But again, we're no where near that. And  
7 so it's really hard to say how we would -- how would  
8 we handle this sort of circumstance.

9 But we appreciate you providing that  
10 example.

11 MR. SMITH: Okay. Another comment on the  
12 web?

13 MS. DAVIS: Yes. Another comment from  
14 Kelly. For industrial radiography, decayed sources  
15 are normally transferred to whoever manufactured the  
16 new source. They use the same type and package.

17 MR. WHITE: Thanks.

18 MR. SMITH: Thank you for the comment.  
19 Angela, any additional comments on the phone line?

20 OPERATOR: We have a follow up from Greg.  
21 Your line is open.

22 MR. SMITH: Okay. Greg?

23 OPERATOR: By Craig. Your line is open.

24 MR. SMITH: Okay, Craig?

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1 MR. STONE: Oh, I'm sorry. I was on mute.  
2 Most of the comments here have been from manufacturers  
3 and sources and stuff like that.

4 Category 3 would affect the power sector  
5 for us for on almost. It would go down to aggregate  
6 quantities on almost 90 percent, 80 percent of the  
7 shipments we make.

8 And these shipments would be going to  
9 basically the same people over and over again. So,  
10 question three that I would think that, you know,  
11 verification for an established manufacturer or an  
12 established source that we send it to continuously,  
13 you know, ought to be part of the graded approach.

14 But I'd kind of like to skip to section  
15 four too. Question four there if I may since I'm on  
16 the line here.

17 But, yes, the LVS -- I've mentioned it  
18 before, it does not work for what I've been -- the places  
19 I've been trying to go to.

20 So I've had to go to the issuing authority  
21 every single time and the Help Desk. Basically put  
22 in a trouble ticket six months ago.

23 And so, nothing's happened. It still  
24 doesn't work. So, that's the issues I've had with it.

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1 MS. WU: Thank you for the comment.

2 MR. SMITH: Great. Thank you. Angela,  
3 any additional comments on the phone line?

4 OPERATOR: None at this time.

5 MR. SMITH: Okay. On the web?

6 MS. DAVIS: Yes. We have two additional  
7 comments. The first is from Glenn Rogers. Most of  
8 the transfers we have are to and from us, the customer  
9 to the manufacturer.

10 If all of our transfers are less than the  
11 Cat 3 threshold amounts, would we be required to report?

12 MR. WHITE: This is Duncan White of the  
13 NRC. Right now we're looking -- just looking at Cat  
14 3. And again, that's, you know, again it would be  
15 premature to say that we're going to -- to look at,  
16 you know, anything beyond that at this time.

17 MR. SMITH: Next question, please.

18 MS. DAVIS: The next comment's from Karen  
19 Sheehan. I agree with the comment about the receipt  
20 and shipment of the Iridium-192 sources for the HDR  
21 treatment unit.

22 The reporting of transfers and receipt each  
23 time will be a burden for the facilities who use these  
24 sources. They are exchanged each quarter.

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1 I do not think that this source exchange  
2 process is a safety risk. It would be easier for the  
3 facilities to hold the sources until they decay to a  
4 Category 2 quantity.

5 I think this poses more of a risk than  
6 sending them directly back to the manufacturer that  
7 day.

8 MR. SMITH: Okay. Thank you very much  
9 both for the comments. Angela, any additional comments  
10 on the line?

11 OPERATOR: I have no comments.

12 MR. SMITH: Okay. Any additional  
13 comments on the web?

14 MS. DAVIS: No additional comments.

15 MR. SMITH: Okay. We're going to move  
16 onto question number four. Do you have online access  
17 to LVS? If so, have you experienced any issues with  
18 LVS? Do you have any recommendations on how to improve  
19 LVS?

20 Any comments on the web?

21 MS. DAVIS: No comments.

22 MR. SMITH: Angela, any comments on the  
23 phone line?

24 OPERATOR: No comments.

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1 MR. SMITH: Okay. We'll give it a couple  
2 of seconds. All right. Hearing no comments we'll move  
3 on.

4 So these next set of questions are related  
5 to NSTS. And they're directed specific for licensees  
6 related to the NSTS per the Federal Register Notice.

7 However again, we'd like to emphasize the  
8 fact that we'd like to receive comments from all  
9 stakeholders. Any perspective you can offer, we would  
10 really appreciate it regardless if you're a licensee  
11 or not.

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 the NSTS and NRC establishes new requirements for the  
16 tracking of Category 3 sources in the NSTS, would you  
17 be inclined to sign up for online access, or would you  
18 use alternative methods for NSTS reporting such as  
19 e-mailing or faxing the NRC Form 748, which is the  
20 National Source Tracking Transaction Report to the NSTS  
21 Help Desk?

22 Angela, any comments on the phone line?

23 OPERATOR: No comments.

24 MR. SMITH: Okay. Any comments on the

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1 web?

2 MS. DAVIS: No comments.

3 MR. SMITH: Okay. We'll give it a couple  
4 of seconds to give you the opportunity to provide your  
5 comments on the phone or via the web.

6 Okay. There's an indication of a comment  
7 on the web.

8 MS. DAVIS: This question is from Douglas  
9 Miskell. When using Form 749 there is a line requesting  
10 the quantity of the radioactive material. However,  
11 when using LVS online, there is no way to report the  
12 quantity of material being transferred.

13 How does this affect the process of  
14 verifying through NSTS?

15 MS. WU: So this is Irene Wu with the NRC.

16 The License Verification System and the National  
17 Source Tracking System are two different systems.

18 And the license verifications happen  
19 through LVS, not NSTS. So, LVS the license  
20 verification is done prior to the transfer occurring.

21 In NSTS, once that transfer has occurred, the licensee  
22 would then report that transfer by close of business  
23 the following day.

24 Hopefully that clarifies things.

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1 MR. SMITH: Okay. Douglas, if it doesn't  
2 clarify it, if you could just provide another comment  
3 on the web.

4 Any additional comments?

5 MS. DAVIS: We have a second question from  
6 Christopher Perry. We hold numerous licenses  
7 throughout the U.S. The majority of our monthly  
8 transfers, 10 to 15 per month, are internal transfers  
9 within the company from one location to another.

10 Would we be required to use LVS?

11 MS. WU: So, this is Irene Wu with the NRC.

12 As I mentioned earlier, currently for Category 1 and  
13 2 licensees, the guidance we've provided is that those  
14 license verifications do not have to occur when they  
15 are inter-company transfers.

16 We would have to look at for in the case  
17 of Category 3 if we were to expand license verification  
18 to include Category 3 that the same would apply. But  
19 again, that's where we're looking for your feedback.

20 MR. SMITH: Great. Angela, any  
21 additional comments on the phone line?

22 OPERATOR: Comments.

23 MR. SMITH: I'm sorry?

24 OPERATOR: No comments.

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1 MR. SMITH: Oh, okay. Great. Thanks.  
2 So we're going to move onto question number two.

3 Do you have online access to NSTS? If so,  
4 have you experienced any issues with the NSTS? Do you  
5 have any recommendations on how to improve the NSTS?

6 Angela, any comments on the phone line?

7 OPERATOR: None at this time.

8 MR. SMITH: Gina, any comments on the web?

9 MS. DAVIS: Yes. We have a comment from  
10 Clayton on the web. Is the NSTS secure from hacking  
11 by state-sponsored actors? Consider that the previous  
12 system whereby Agreement States had paper records of  
13 radioactive sources was impossible to hack into.

14 If security were an issue, then the NSTS  
15 clearly is a step down from the previous method of  
16 tracking sources. That data is most secure which is  
17 not collected.

18 NRC has never explained why it needs the  
19 NSTS. The best improvement maybe to shut it down.

20 MS. WU: So, this is Irene Wu with the NRC.

21 On an earlier slide I talked about the credentialing  
22 process for folks getting access to NSTS.

23 So, as part of that process we do an  
24 employment verification. And we also do a need to know

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1 determination to make sure that they in fact do need  
2 access to the system.

3 So, on top of the, you know, credentialing  
4 process which limits who can actually have access to  
5 the system, we do do a security categorization of NSTS  
6 every few years to make sure that the access level is  
7 at the right level.

8 MR. SMITH: Great. Thanks. Any  
9 additional comments on the web?

10 MS. DAVIS: Yes. There is a comment from  
11 Richard Karrmann. Our company purchases new  
12 PCs/laptops on two to three year intervals for each  
13 individual.

14 The security scripts on our core load  
15 program do not cooperate well with the security scripts  
16 in the NSTS. It can be quite difficult to install the  
17 NSTS scripts on the new computer each time.

18 MS. WU: Thank you for the comment.

19 MR. SMITH: Thank you very much. Angela,  
20 any additional comments on the phone line?

21 OPERATOR: No comments.

22 MR. SMITH: Okay. There's an indication  
23 of a comment on the web.

24 MS. DAVIS: Yes. This is from Margaret

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1 Cervera. Not a question, but an answer. NSTS was also  
2 mandated by the Energy Policy Act of 2005.

3 MR. SMITH: Thank you Margaret. Okay.  
4 We're going to move onto -- oh, we have one more comment  
5 on the web.

6 MS. DAVIS: Yes. This comment's from  
7 Kelly Richardt. We use NSTS and find it cumbersome,  
8 i.e., every time you want to go to the main menu it  
9 asks whether you really want to go back.

10 You have to go into the item detail to  
11 another screen to obtain important information.

12 MS. WU: Thank you for the comment.

13 MR. SMITH: Great. Thank you. Okay.  
14 Angela, any additional comments on the phone line?

15 OPERATOR: No comments.

16 MR. SMITH: Okay. We'll move to the next  
17 set of questions. These are specific questions for  
18 Agreement States related to license verification.

19 But again, if you'd like -- and that's per  
20 the Federal Register Notice. However, we'd like to  
21 say the fact -- the point that we want -- we're seeking  
22 comments from all stakeholders today. So, if you have  
23 any comments on the web or the phone line, please provide  
24 your comments.

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1           Approximately how many licenses do you  
2 authorize for Category 1, 2, and 3 quantities of  
3 radioactive material?

4           I'd also like to emphasize the point that  
5 if you give additional comments later on on the -- via  
6 e-mail or mail in, you know, the same thing, we're  
7 looking for comments from all stakeholders. Although  
8 the Federal Register Notice said it was a specific  
9 question for a particular entity.

10           Any comments on the web?

11           MS. DAVIS: No comments.

12           MR. SMITH: Angela, any comments on the  
13 phone line?

14           OPERATOR: No comments.

15           MR. SMITH: Great. Thank you. Okay.  
16 Not hearing any comments, we're going to move to  
17 question number two.

18           If license verification through the LVS  
19 or the transferee's license issuing authority is  
20 required for transfers involving Category 3 quantities  
21 of radioactive material, would you encourage the use  
22 of LVS among your licensees, or plan for additional  
23 burden imposed by the manual license verification  
24 process?

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1 Angela, any comments on the phone line?

2 OPERATOR: None at this time.

3 MR. SMITH: No comments on the web?

4 MS. DAVIS: No comments.

5 MR. SMITH: Okay. We'll give it a couple  
6 of seconds. Again, if there are any questions that  
7 we've covered that you'd like to make a comment on,  
8 we welcome those comments also.

9 Or if you'd like to follow up on some  
10 comments that were provided earlier, we also welcome  
11 your comments on those questions or comments.

12 So we'll move onto question number three.

13 If license verification through the LVS or the  
14 transferee's license issuing authority is required for  
15 transfers involving Category 3 quantities of  
16 radioactive material, would you consider adopting  
17 Web-Based Licensing System, WBL, to ensure that 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 include  
22 in WBL, or would you do neither and prefer licensees  
23 to use the manual license verification process?

24 Angela, any indications of comments on the

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1 phone line?

2 OPERATOR: No comments.

3 MR. SMITH: Any additional comments on the  
4 web?

5 MS. DAVIS: No comments.

6 MR. SMITH: Okay. We'll give it a couple  
7 of seconds. Okay We'll move onto question number four.

8 What would the impact in time and resources  
9 be on your program to handle the additional regulatory  
10 oversight needed for Category 3 licensees if license  
11 verification through the LVS or transferee's license  
12 issuing authority was required for transfers involving  
13 Category 3 quantities of radioactive material?

14 Any clarifying remarks to this question?

15 MS. WU: No.

16 MR. SMITH: No? Okay. Great. Thanks.  
17 Any comments on the web?

18 MS. DAVIS: No comments.

19 MR. SMITH: Angela, any additional  
20 comments on the phone line?

21 OPERATOR: No comments.

22 MR. SMITH: Okay. Thank you. Okay.  
23 We'll give it a couple of seconds. Okay. Hearing no  
24 questions or comments we'll move onto the next set of

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1 questions. Which are related to NSTS.

2 Okay. We do have one comment on the web.

3 MS. DAVIS: This comment's from Douglas  
4 Miskell. It has been my experience that the manual  
5 LVS process can take anywhere from a few hours to a  
6 few days.

7 MR. SMITH: Okay.

8 MS. WU: Thank you for the comment.

9 MR. SMITH: Great. Thank you. Angela,  
10 any additional comments?

11 OPERATOR: No comments.

12 MR. SMITH: Okay. Thank you. So, the  
13 next set of questions again, are related to NSTS. And  
14 they are specific questions for Agreement States per  
15 the Federal Register Notice.

16 But again, during today's meeting, and  
17 later if you'd like to provide comments, we're  
18 soliciting comments from all stakeholders.

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

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1 to inventories, and processing confirmations of  
2 completion of the reconciliation into the NSTS.

3 The process involves a significant amount  
4 of staff time and resources from November to February.

5 If the Agreement States were to adopt administration  
6 of the annual inventory reconciliation process and if  
7 Category 3 sources were included in the NSTS, what would  
8 the additional regulatory burden be on the Agreement  
9 States to perform the annual inventory reconciliation  
10 for Category 1, 2, and 3 sources?

11 Gina, any comments on the web?

12 MS. DAVIS: No comments.

13 MR. SMITH: Angela, any comments on the  
14 phone line?

15 OPERATOR: No comments.

16 MR. SMITH: Okay. We will give it a couple  
17 of seconds. Okay. We're moving into the last set of  
18 questions.

19 And again, if we have any comments on the  
20 previous questions, please provide your comments. So  
21 if you have any questions, we'd like to entertain those  
22 questions at this time.

23 But with these questions, question one.  
24 Should physical security requirements for Category 1,

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1 2, and 3 quantities of radioactive material be expanded  
2 to include Category 3 quantities?

3 And I think from earlier we have gotten  
4 some feedback and some comments on this particular  
5 question.

6 MR. WHITE: This is Duncan White of the  
7 NRC. Some of that feedback material would be a -- for  
8 overall, we've -- to virtually everyone who's provided  
9 comments on this question and said, they've -- that  
10 we should not increase physical security requirements  
11 for Category 3 like we do for Category 1 and 2.

12 And people provide a good example -- a  
13 number of examples of that. One for example was  
14 involving the requirements to T&R screening  
15 qualifications. And a couple of hospitals says it will  
16 be a significant burden for them even though they  
17 already have a system in place to do that.

18 And a couple industrial facilities said  
19 that they have Category 3 sources onsite. And they  
20 have several thousand of employees who have -- in and  
21 around, you know, in and around the facility. And that  
22 would be an extraordinary burden.

23 So again, what we're looking for, for any  
24 feedback on this is, obviously your comments on, you

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1 know, should we do this or not. But again, providing  
2 examples would be very helpful.

3 MR. SMITH: Great. Thanks. Gina,  
4 comments on the web?

5 MS. DAVIS: Yes. We have a comment from  
6 David Huber. Doing so will impose millions of dollars  
7 in added security costs to the oil fields in this  
8 company.

9 MR. SMITH: Okay.

10 MR. WHITE: Thanks for the comment.

11 MR. SMITH: Angela, any comments on the  
12 phone line?

13 OPERATOR: Yes. I do have one from Greg.  
14 Your line is open.

15 MR. SHROUD: Hey, this is Greg Shroud again  
16 from Gilberton. Because we're a very, very small  
17 quantity of Category 3, I don't even know how physical  
18 security would actually be applied on us.

19 And if we have to put any additional  
20 staffing, that would be a huge burden for us if we had  
21 to do any staffing to help do any physical security  
22 requirements above and beyond what we're already doing.

23 MR. SMITH: Okay. Thank you Greg. Any  
24 additional comments on the web?

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1 MS. DAVIS: No additional comments.

2 MR. SMITH: Angela, any additional  
3 comments on the phone line?

4 OPERATOR: No comments.

5 MR. SMITH: Okay. So we'll move onto  
6 question number two. Some Category 3 sources are  
7 covered under a general license. And that's under 10  
8 CFR 31.5. Should the NRC consider establishing maximum  
9 quantities in general licensed devices, thereby  
10 reserving authorization to possess Category 1, 2, and  
11 3 quantities of radioactive material to specific  
12 licensees?

13 Okay. Any comments on the web?

14 MS. DAVIS: No comments.

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

17 OPERATOR: No comment.

18 MR. SMITH: Again, if anyone had any  
19 comments on previous questions, you can provide those  
20 comments at this time also.

21 Okay. Before we close out the comment  
22 portion of this meeting, I wanted to open up the floor  
23 to any final thoughts and comments on any aspects of  
24 this evaluation. Does anyone have any final thoughts

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1 or additional comments they'd like to make?

2 Angela, any comments on the phone line?

3 OPERATOR: No comment.

4 MR. SMITH: Any comments on the web?

5 MS. DAVIS: No comments.

6 MR. SMITH: We'll give it a couple of  
7 seconds, just to give everyone an opportunity to --  
8 if you're trying to make those comments on the web or  
9 we'll give you time to make those comments on the phone  
10 line.

11 Okay. We do have a comment on the web.

12 MS. DAVIS: This comment is from Kelly  
13 Richardt. I don't know whether Cat 3 licensees know  
14 what the Part 37 requirements consist of. But  
15 complying with Part 37 for some isolated Cat 3 sources  
16 would be difficult for us.

17 MR. SMITH: Okay. Thank you. Okay.  
18 We'll give it a couple more seconds.

19 Okay. Great. Thank you all for your  
20 comments. And thank you for participating in today's  
21 webinar.

22 A copy of the slides used in today's meeting  
23 and a transcript of the meeting will be made available  
24 on the Category 3 web page located on the NRC website

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1 under radioactive material security.

2 So if you have any additional questions  
3 related to this meeting or to Category 3 source security  
4 and accountability reevaluation, please contact either  
5 Duncan White, and Duncan can be reached via e-mail on  
6 Duncan.White@nrc.gov. And his work number is (301)  
7 415-2598. Or Irene Wu. Irene can be reached via  
8 e-mail at Irene.Wu@nrc.gov. And her work number is  
9 (301) 415-1951.

10 Thank you all for participating today.  
11 Angela, that will be the end to the webinar. Thank  
12 you very much.

13 OPERATOR: You're welcome. This  
14 concludes today's process. Please disconnect at this  
15 time.

16 (Whereupon, the above-entitled matter went  
17 off the record at 2:33 p.m.)

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20  
21  
22  
23