

POLICY ISSUE INFORMATION

July 24, 2002

SECY-02-0142

FOR: The Commissioners

FROM: William D. Travers
Executive Director for Operations

SUBJECT: STATUS OF THE GENERAL LICENSE PROGRAM

PURPOSE:

To inform the Commission about the current status of the General License (GL) Program, and issues that have emerged after the implementation of the registration of certain generally-licensed devices, in response to the July 11, 2000, Staff Requirements Memorandum (SRM) on SECY-00-0106, "Final Rule: 10 CFR Parts 30, 31, and 32 - 'Requirements for Certain Generally Licensed Industrial Devices Containing Byproduct Material' and Related Change to the Enforcement Policy" (Attachment 1).

BACKGROUND:

The U. S. Nuclear Regulatory Commission (NRC) established new rules for general licensees in section 31.5(c)(13) of Title 10, U.S. Code of Federal Regulations, which became effective in February 2001. This rule requires general licensees to register devices containing at least 370 megabecquerels (10 millicuries) of cesium-137; 3.7 megabecquerels (0.1 millicurie) of strontium-90; or 37 megabecquerels (1 millicurie) of cobalt-60; or 37 megabecquerels (1 millicurie) of any transuranic element. The new rule was established to increase the control of, and accountability for, generally licensed devices, which supports NRC's Strategic Plan to maintain safety and increase public confidence.

CONTACT: Binesh K. Tharakan, NMSS/IMNS
(301) 415-7138

In March 2001, Version 1.2 of the General License Tracking System (GLTS) was deployed. Version 1.2 of the GLTS allowed NRC to mail out registration forms to the general licensees possessing devices meeting the above registration criteria, and edit information about the general licensees and their devices. Starting in April 2001, the staff mailed out the first annual registration forms, and completed the first round of approximately 3,200 mailings in April 2002.

DISCUSSION:

I. Current Status of the General License Program

Approximately 45% of the 3200 registration forms that were mailed out have been completed and returned (See Attachment 2, Sample Registration Form). The GLTS contractor has begun uploading these into the GLTS. Approximately 15 percent of the registration forms were returned as undeliverable. The remaining 40 percent were not returned. Therefore, 55 percent of the potential first-year registrants (i.e., a general licensee that possesses devices subject to registration) have not responded to NRC. This response rate is significantly less than expected. By performing searches on the Internet, contacting device vendors, and other means, the staff and the GLTS contractor are currently following up on these registrants. Meanwhile, the GLTS contractor continues to routinely enter distribution reports from vendors with an exception discussed later, as well as upload data from registrations that have been completed and returned.

There are three categories of registrants:

1. Registrants whom NRC has not yet been able to contact (undeliverable registrations and registrations not returned);
2. Those registrants that have responded to NRC's request for registration, but have significant discrepancies between NRC data and their own inventory data (e.g., different model numbers, never possessed the device, device whereabouts unknown); and
3. Those registrants that have responded and have successfully registered their devices with NRC.

Despite the poor initial response rate, the staff's goal is to eventually move every registerable general licensee into the third category of registrants.

The staff completed a survey of Agreement State compatibility with the new reporting requirements in 10 CFR 32.52. Compatibility with this section was required by August 16, 2001. Twenty-one Agreement States responded that they have established compatible reporting requirements through legally binding requirements, such as license conditions. Eleven Agreement States responded that they do not have vendors of GL devices. The Agreement States have until February 16, 2004, to establish compatibility with the remainder of the rule changes. Once all Agreement States have adopted compatible rules, the staff will coordinate with the States on implementing a national device database, as mentioned in the SRM. The staff will provide a copy of this information paper to the States.

II. Current Status of the General License Tracking System

As required by the Office of the Chief Information Officer (OCIO), a lessons-learned paper on the development of the GLTS was completed in March 2002. The staff continues to improve the GLTS computer system, through contractor support, to make it more effective and efficient. Version 2 of the GLTS was deployed in March 2002. As a result, registration forms can now be scanned and uploaded directly into the GLTS, and general licensee reported device transfers are more efficiently entered and stored in GLTS.

The previous contractor's poor performance and the transition to a new contractor delayed the deployment of GLTS Version 2.0 by 12 months. To more effectively ensure business software functionality requirements are met, monitor contractor performance, and ensure timely delivery of software products, the staff has:

1. Established a Configuration Control Board (CCB) to oversee changes made to GLTS;
2. To ensure business requirements are fully met, the Office of Nuclear Material Safety and Safeguards (NMSS) has assumed direct oversight of this aspect of the project. OCIO continues to provide technical oversight and is a voting member on the GLTS CCB; and
3. Established an outside contract for Independent Validation and Verification (IV&V) of software. The IV&V contractor has identified several areas where GLTS can be structurally more sound. Future work on the GLTS system will take an IV&V approach in which NRC expectations of quality and audit procedures are made explicit and enforced before deliverables are accepted. These improvements will facilitate future enhancements and maintenance of the GLTS.

III. Issues Associated with the General License Program

Based on experience to date, the staff has identified the following issues:

1. The current fee of \$450 per general licensee was based on an estimate that there would be 4500 registrants to cover the costs of the program. The current estimate is 3200 registrants, primarily because of data corrections and elimination of duplicate records. This decrease in the number of registrants will likely increase the fee per registrant, because of the increased costs for tracking down registrants and some fixed costs which cannot be reduced in proportion to the number of registrants. A summary of the costs for the GLTS and the General License Program is provided in Attachment 3. It should be noted, however, that until the agency can collect the filing fee from the registrants, other materials licensees will continue to pay the costs of the program.

To address this issue of increasing costs, the second round of registration mailings and fee collection has been delayed until early fiscal year 2003 to follow up on missing general licensees, establish a more complete and accurate database with the information received from the first round of registration, and facilitate implementing fee requirements within a future GLTS deployment.

2. NMSS staff is receiving much higher than the expected number of phone calls from general licensees seeking clarification on the registration packets that they have received. Over 1000 staff hours have already been spent responding to about 700 calls.

To address this issue, and to increase general licensees' knowledge of their responsibilities, the staff has completed a website that provides information on the GL Program and registration (<http://www.nrc.gov/materials/miau/miau-reg-initiatives/gen-license.html>). The staff is also preparing supplemental guidance that will be provided to vendors to clarify their reporting requirements and their responsibilities to the end users.

3. The poor response rate to requests for registration indicate a need for additional resources to follow up with general licensees and vendors to determine the disposition of the generally licensed devices. The magnitude of resources needed for this follow-up was not previously budgeted.

To address this issue, the staff is taking the following actions to improve the registration statistics and the follow-up on missing general licensees and their devices:

- i. To reduce the number of registrations that are returned undeliverable, advance phone calls have been made by the GLTS contractor to locate general licensees before sending registration forms to ensure that they are received by the responsible individuals at the correct addresses;
 - ii. A contract is being established with a private investigation firm. This firm will help find general licensees with incorrect addresses. This approach should be more effective and efficient than having the Regions, or the current GLTS contractor, perform this type of follow-up. The private investigation firm will have the specialized skills and experience required to complete these particular types of follow-up; and
 - iii. The staff has modified the budgets for fiscal years 2003 and 2004 to allow for this additional effort.
4. A significant amount of information that is submitted by vendors and general licensees is incomplete or inaccurate. This leads to additional follow-up that was not anticipated. It also indicates a poor level of vendor/general licensee understanding of the requirements.

To address this issue, the staff is preparing supplemental guidance that will be provided to vendors to clarify their reporting requirements and their responsibilities to end users. This guidance will reinforce the device reporting requirements and ensure that vendors are communicating the responsibilities associated with general licenses to the end users before transferring the devices. This effort will be coordinated with the Agreement States.

5. Because of resource limitations, a backlog of data entry exists for generally licensed devices that do not meet the registration criteria. For example, quarterly reports on the transfer of tritium exit signs have not been completely entered into GLTS. The quantity of data and the amount of time required to perform the data entry for these types of generally licensed devices are almost 10 times greater than the time required for registerable devices. It takes about 80 hours for one person to enter a report from a large exit sign vendor.

To address this issue, and reduce costs, we have temporarily discontinued entry of detailed data for reports from large exit sign vendors. The detailed reports are still available in the Agency-wide Documents Access and Management System. In this interim period, the staff will not have the ability to conduct a rapid search of the database to respond to questions or events involving these devices.

The SRM also required staff to provide an update on the status of electronic transmittals. The staff is considering allowing electronic transmittal of transfer reports and registration forms to further improve the GL Program. The staff is also considering a web-based registration process. These requirements will be considered by the CCB and made part of future releases of GLTS.

COORDINATION:

The Office of the Chief Financial Officer has reviewed this Commission paper for resource implications and has no objections.

/RA/

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Attachments:

1. July 11, 2000, Staff Requirements Memorandum (SRM) on SECY-00-0106, "Final Rule: 10 CFR Parts 30, 31, and 32 - 'Requirements for Certain Generally Licensed Industrial Devices Containing Byproduct Material' and Related Change to the Enforcement Policy"
2. "Sample Registration Form"
3. "Summary of Costs for GLTS and the General License Program"

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*By Fax **See previous concurrence

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