

Information for  
Briefing of Chairman Diaz on NSTS

Oct. 13, 2005

Proposed Agenda

1. Introduction and Roles - Margaret Federline
2. Overview of the Project - Trish Holahan
3. NSTS Rulemaking - Merri Horn
4. NSTS Contract and Plans for System Development and Use - Paul Goldberg, Joel Bristor

## SYSTEM DEVELOPMENT

The system will allow State and Federal agencies to track transactions of Category 1 and 2 sources from origin (manufacture or import) to disposition (disposal, export, decay below Category 2 level). The system is designed to be a genuinely national, comprehensive resource that includes sources held by NRC and Agreement State licensees and by DOE. Licensees (and DOE) will be able to enter information on transactions online, by phone, or by fax, and view their own information online. It satisfies, and exceeds, the Code of Conduct requirement for a national, central register of Category 1 and 2 sources whose information is appropriately protected. The system does not track transportation of sources, other than to indicate when sources have not been received at the expected time, and does not track sources in real time. There has been extensive interaction, through working groups, a steering committee, and an interagency coordinating committee, with all the federal agency stakeholders and with representatives of State agencies to be sure that their needs for data and analysis were considered in the development of the system.

The staff recognized the issue of Category 3 sources and requested comment in the proposed rule. In light of current interest from a variety of sources, and, particularly, recent dialogue between the staff and Commissioners on Category 3 sources, the staff is now preparing a paper, to be completed this calendar year, for the Commission, discussing whether and how to take action on Category 3 sources. There have been indications of interest in Category 3 sources from Congressional staff and DHS's Domestic Nuclear Detection Office. Possible options may include an inventory system rather than a tracking system for Category 3 sources. The staff was also tasked in the SRM resulting from the approval of the proposed NST rule to prepare a paper, due to the Commission in September, 2006, considering how to deal with Category 3 sources for the NSTS, including public comment on the rule and analysis of the possible options. The paper will also deal with other aspects of Category 3 sources, including their division between generally-licensed and specifically-licensed sources and the possible need for security measures.

## CONTRACT SCHEDULE

### Milestones for Contract

RFQ Issued 9/27

Closing date for quotations 11/7

Contract award 1/06

The system will be deployed in two releases, about one year apart.

### Milestones for System Development

#### Version 1

- Install system and activate for Category 1 sources ~7/07

- Activate for Category 2 sources ~8/07

#### Version 2

- Product Release ~09/08

This is a performance-based contract with incentives for early delivery of the system and penalties for late delivery. Contractor response to incentives may permit earlier operation of system.

Development of the system has been delayed eight months as a result of unexpectedly lengthy project reviews, concurrences, and approvals and of review of the Sandia RSRT system. As a strategy to reduce the risk of delays, cost overruns, and poor performance, the staff adjusted the schedule according to Commission direction to apply the lessons of previous IT projects and take the time necessary to ensure that system works well.

The staff has taken steps to mitigate the the following potential schedule risks:

1. Potential inability to maintain acquisition schedule

- Bidders unwilling to submit quotations by November 7th
- More than four quotations received
- Quality of quotations, need for extensive discussion with bidders
- Delays in selection concurrences

2. Inability to deliver NSTS Version 1 by July, 2007

- Delays in obtaining OIS Authorization to Operate (ATO), particularly in security accreditation
- NRC unable to provide responsive review of contractor deliverables
- Contract negotiations to address emergent contract scope changes
- Contractor performance

The system will help NRC and other agencies

1. monitor the location, possession and disposal of radioactive sources of concern throughout the country;
2. improve accountability and give better information to decision makers;
3. detect and act on tracking discrepancies;
4. conduct inspections and investigations;
5. communicate radioactive source information among government agencies;
6. respond in the event of an emergency;
7. verify legitimate import, export, ownership, and use of radioactive sources; and
8. further analyze hazards attributable to the possession and use of radioactive materials.

The system functions that various agencies have requested and that will be available include:

1. the ability to record information about individual sealed sources including important source characteristics such as: make, model, serial #, isotopes, activity, activity date, and status;

2. the ability to record the list of individual sources that are currently associated with each license (an inventory);
3. the ability to track the transfer of possession of an individual source from one licensee to another and from one status to another (e.g., 'active' to 'lost');
4. the ability to see a full history of transfers and status changes for an individual source;
5. the ability for NRC licensees, Agreement State licensees, and DOE sites to record in a timely manner, source characteristics, source transfers, and source status changes;
6. the ability for the licensing agencies (NRC, Agreement State agencies, and DOE) to establish and maintain the license information of their respective jurisdictions, including the ability to record source incidents such as: lost, stolen, destroyed, irretrievable, and found sources;
7. the ability to import data files submitted by licensees and other stakeholders;
8. the ability to schedule and generate both pre-programmed and ad-hoc reports, to upload electronic files of source and license information from external systems, and to extract source information for use by other federal agencies; and
9. the ability to provide event monitoring and alert notifications to enhance the timely reporting and monitoring of NSTS data integrity.