

**INSPECTION OF ADDITIONAL SECURITY MEASURES
FOR RADIOACTIVE MATERIAL QUANTITIES OF CONCERN**

CORNERSTONE: Physical Protection in Transit

PROGRAM APPLICABILITY: 2201 and 2800

2201/XXX-01 OBJECTIVE

01.01 To verify that licensees authorized to transport or deliver to a carrier for transportation, items containing radioactive material quantities of concern (RAMQC) effectively implemented the additional security measures (ASMs) imposed by the U.S. Nuclear Regulatory Commission (NRC) Order, "Additional Security Measures on the Transportation of Radioactive Material Quantities of Concern," issued July 19, 2005 and to verify that the Safeguards Information Modified - Handling (SGI-M) protection requirements specified in NRC Order "Imposing Requirements for the Protection of Certain Safeguards Information" (the SGI-M Protection Order), issued November 25, 2003, have been successfully incorporated into the licensee's security protection strategy. The objective of this Temporary Instruction (TI) is to verify that the ASM specified above have been successfully incorporated into the licensees' sites and defensive strategies; to ensure relevant security and SGI-M procedures have been developed and implemented accordingly; and to confirm that interface notifications and agreements, when required, have been developed and effectively coordinated.

2201/XXX-02 APPLICABILITY

This TI is applicable to NRC and Agreement State licensees authorized to possess and transfer, transport, or deliver to a carrier for transport, in a single shipment radioactive material in the amounts equal to, aggregated to or in excess of the Table A: Radioactive Material Quantities of Concern or spent nuclear fuel containing greater than or equal to 1000 Terabecquerels (TBq) (27,000 Curies) but less than or equal to 100 grams of spent nuclear fuel.

WARNING: Violation of Section 147 of the Atomic Energy Act, "Safeguards Information" is subject to Civil and Criminal Penalties

When separated from Appendix A and Appendix C, this document is DECONTROLLED.

Issue Date: XX/XX/06

2201/XXX

Enclosure

2201/XXX-03 BACKGROUND

The requirements and guidance for handling and protection of SGI-M are found in the Order, "Imposing Requirements for the Protection of Certain Safeguards Information," dated November 25, 2003. This Order was issued to enhance information security and to protect SGI-M documents, and was issued in advance of the Order implementing the additional transportation security measures.

The Commission issued a July 19, 2005, Order to licensees authorized to possess and transfer RAMQC. The Order required certain ASMs which supplement existing regulatory requirements in response to the current threat environment, presently in existence in the aftermath of the events of September 11, 2001. The ASMs specify prudent measures that the Commission deems appropriate for licensees to implement and strengthen a licensees' capability and readiness to respond to a potential attack on this regulated activity.

In response to the July 19, 2005 Order, licensees committed in writing to certain actions required by the ASMs.

2201/XXX-04 INSPECTION REQUIREMENTS

04.01 NRC Regional Branch Chiefs and Agreement States Radiation Control Directors.

- a. Schedule performance of this TI at all licensees facilities that are subject to the Order. To the extent feasible, management should consider the quantities and regularity of shipments, proximity to densely populated areas, known security vulnerabilities or deficiencies, and reactor and materials inspection schedules, as criteria for prioritizing site inspection schedules.
- b. For each site, a draft inspection record required by this TI shall be forwarded to the NRC Regional Director, Division of Nuclear Material Safety (DNMS) or designee. The Regional Director of DNMS will forward a copy of the draft inspection record with supporting documentation to the Chief, Security Oversight Section, Division of Security Operations (DSO), Office of Nuclear Security and Incident Response (NSIR). When potential findings are identified they will be reviewed by the Security Findings Review Panel (SFRP), to ensure that findings and/or observations identified are treated consistently across all regions and states, in accordance with the enforcement process, and to focus early management attention on common deficiencies and/or vulnerabilities across various sites. The SFRP will be composed of staff from NSIR, NRC Regions, Office of Nuclear Material Safety and Safeguards, Office of Enforcement, Office of General Counsel, Office of State and Tribal Programs, Office of Nuclear Reactor Regulation, and Agreement State representative(s) where appropriate.
- c. The Regional Director of DNMS will seek DSO concurrence prior to issuing the final inspection record to the licensee.
- d. Notify the Director, DSO, when this TI has been completed.

2201/XXX-05 REPORTING REQUIREMENTS

In preparing to conduct an inspection under this TI, the inspector should obtain for review, copies of the NRC's July 19, 2005, Order, and the licensee's response to the Order. The inspector should also review the NRC Regulatory Issue Summary 2005-12, "Transportation of Radioactive Material Quantities of Concern NRC Threat Advisory and Protective Measures System," Nuclear Energy Institute 05-06, "Implementing Guidance for Additional Security Measures for Transportation of Radioactive Material Quantities of Concern," (U), and NRC Regulatory Issue Summary 2003-08 "Protection of Safeguards Information from Unauthorized Disclosure."

This TI should be used as a one-time verification of licensee compliance with the Order. In addition, this TI may also be used verify those aspects of the Order that were either not verified or have changed since the initial inspection, as licensees make notification of changes that would potentially impact compliance with the Order.

This TI should be used in conjunction with the RAMQC ASMs and the implementing guidance during inspections. The ASMs for the transportation of RAMQC are contained in Enclosure 1, Attachment B of the Order issuance letter. Detailed inspection guidance for implementation of the ASMs is contained in Appendix A and Appendix B of this TI.

The inspector shall follow NRC directives and guidance relative to management of allegations and also directives and guidance relative to release of information. The guidance for inspectors relative to these matters shall be provided to the inspectors at the specialized training required before conducting inspections under this TI.

The inspection activities under this TI will be documented as a SGI-M inspection record. Since this is a one time inspection to review licensee activities in response to the July 19, 2005 Order, significant security findings will be reviewed at the SFRP before being included in the inspection record.

The completed draft inspection record shall be delivered to the NRC Regional Director (DNMS) or designee within 30 days of the completion of the inspection. Following the determinations by the SFRP, the Region may modify the record to appropriately disposition the potential findings or unresolved issues (URIs). The NRC Regional Director (DNMS) or designee will provide a copy of the final inspection record with supporting documentation to the Director, DSO within 60 days of the completion of the inspection. The NRC Regional Director (DNMS) or designee will also provide a copy of the final inspection record with supporting documentation to the respective Agreement State Radiation Control Program Director when applicable.

Potential security findings should be reported, as noted above, in the inspection record to the NRC Regional Director (DNMS) or designee, and the Director, DSO/NSIR. The licensee shall make every effort possible to correct these deficiencies or take compensatory actions to eliminate the vulnerability. To ensure timely issuance of the inspection record, coordination with NSIR should occur as soon as possible after any potential enforcement issues are identified.

Headquarters maintains an "ASM Tracking System" which tracks the status of each security Order. For each inspection, the checklist in Appendix C, Attachment 1 should be completed, showing whether each item is closed or open. Agreement States should provide the completed

checklists to the appropriate NRC Region. Separate instructions will be provided to the Regions regarding entry of data into the Tracking System.

2201/XXX-06 COMPLETION SCHEDULE

All inspection activities identified in this TI should be completed within one year from the issue date of the RAMQC Order.

2201/XXX-07 EXPIRATION

This TI will expire two years from its issue date.

2201/XXX-08 CONTACT

Questions regarding this TI should be addressed to Ralph Costello at rhc@nrc.gov (301) 415-6821 or Rocky Foster at rdf@nrc.gov (301) 415-7670. If questions contain Safeguards Information - Modified Handling, or if you are unsure whether the content is SGI-M or not, forward your questions in writing or by secure means. Ensure SGI-M marking, handling, and protection requirements as specified in the SGI-M Protection Order are followed. If sending questions in writing by FEDEX, mail to NRC, NSIR/DSO/MSO, Mail Stop T-4D8, 11555 Rockville Pike, Rockville MD 20852.

2201/XXX-09 STATISTICAL DATA REPORTING

Direct inspection efforts in executing this TI are to be charged to TI XXXX/XX. In accordance with Appendix D of applicable 274i Agreements, the Agreement State program directors or designee shall submit a completed reimbursement claim, after completion of the inspection and the final inspection record documentation.

2201/XXX-10 ORIGINATING ORGANIZATION INFORMATION

10.01 Organizational Responsibility. This TI was developed by the Materials Security Oversight (MSO) Branch, Division of Security Operation (DSO), Office of Nuclear Security and Incident Response (NSIR).

10.02 Resource Estimate. The estimated onsite inspection hours necessary to complete the TI is 12 inspector-hours with an additional 12 inspector-hours for preparation, documentation and report writing. For licensees that have been previously inspected for the implementation of the Materials Manufacturer and Distributor Security Orders, dated January 12, 2004, the estimated onsite inspection hours necessary to complete the TI is 6 inspector hours with an additional 6 inspector-hours for preparation, documentation and report writing. For licensees that have been previously inspected for the implementation of the Panoramic and Underwater Irradiators Possessing Byproduct Material in Sealed Sources Security Orders, dated June 13, 2004, the estimated onsite inspection hours to complete the TI is 11 inspector-hours with an additional 10 inspector-hours for preparation, documentation and report writing. Because facilities and transportation activities vary by size and complexity, the inspector shall use sufficient time as needed, to thoroughly complete the inspection effort even though the effort may go beyond the estimates. This section is for broad resource planning and is not intended as a measure for judging the inspector's or region's performance. Actual inspections may require substantially more or less time, depending on the case-by-case circumstances.

10.03 Training. Specialized training is required to perform this inspection. *The NRC Security Module for RAMQC Inspections shall be successfully completed to include testing of inspectors prior to conducting this inspection. Reference material will be provided to inspectors during this training.*

2201/XXX-11 REFERENCES

NRC Order, "Panoramic and Underwater Irradiators Possessing Byproduct Material in Sealed Sources Security Order," dated June 13, 2003.

NRC Order, "Materials Manufacturer and Distributor Security Order," dated January 12, 2004.

NRC Order, "Imposing Requirements for the Protection of Certain Safeguards Information," dated November 25, 2003.

Regulatory Issue Summary (RIS) 2003-08, "Protection of Safeguards Information from Unauthorized Disclosure."

NRC Order, "Additional Security Measures on the Transportation of Radioactive Material Quantities of Concern," dated July 19, 2005.

Regulatory Issue Summary (RIS) 2005-12, "Transportation of Radioactive Material Quantities of Concern NRC Threat Advisory and Protective Measures System."

NEI 05-06, Nuclear Energy Institute, "Implementing Guidance for Additional Security Measures for Transportation of Radioactive Material Quantities of Concern." (U)

END