

POLICY ISSUE NOTATION VOTE

November 22, 2006

SECY-06-0231

FOR: The Commissioners

FROM: Luis A. Reyes
Executive Director for Operations

SUBJECT: NRC IMPLEMENTATION PLAN FOR THE RADIATION SOURCE
PROTECTION AND SECURITY TASK FORCE REPORT

PURPOSE:

To provide, for Commission approval, the U.S. Nuclear Regulatory Commission (NRC) Implementation Plan for the Radiation Source Protection and Security Task Force Report.

SUMMARY:

The staff has developed an implementation plan that addresses the recommendations and action from the Radiation Source Protection and Security Task Force report. The implementation plan presents the strategy for implementation, issues that could complicate implementation, lead agencies and offices, resource estimates, and the task breakdown. A total of ten of the recommendations and actions are not addressed by the current budget. Resources for these unbudgeted recommendations and actions in FY 2007 and 2008 will be reallocated from lower priority activities through the PBPM process. The staff recommends that the Commission approve the implementation plan.

BACKGROUND:

The Energy Policy Act of 2005, hereafter called the EPAct, required establishment of an interagency task force on radiation source protection and security under the leadership of the NRC. The Task Force was to evaluate and provide recommendations to the President and Congress relating to the security of radiation sources in the United States from potential

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terrorist threats, including acts of sabotage, theft, or use of a radiation source in a radiological dispersal device. The EPA Act specified 12 Federal agencies for participation on the Task Force and specified several topics that the Task Force was to address in the report. NRC invited two additional agencies to participate on the Task Force. Additionally, the Task Force invited the Organization of Agreement States/Conference of Radiation Control Program Directors to participate as a non-voting member. The first report was due in August 2006, with subsequent reports to be submitted not less than once every 4 years. By letters dated August 15, 2006, NRC submitted the Radiation Source Protection and Security Task Force Report to the President and Congress. The first report contains 10 recommendations and 18 actions that address security and control of radioactive sources.

The EPA Act further requires the Commission to "...in accordance with the recommendations of the task force" "...take any action the Commission determines to be appropriate, including revising the system of the Commission for licensing radiation sources." In addition, by Staff Requirements Memorandum dated August 3, 2006, on COMSECY-06-0032, "Draft report to the President and the U.S. Congress on the Radiation Source Protection and Security Task Force report," the staff was directed to develop a plan, including prioritization, cost estimates, and the staff view on how to proceed with implementation of the recommendations for which NRC has responsibility. The staff has developed this implementation plan to outline and track the actions that NRC plans to take to address the recommendations and actions contained in the Task Force report.

DISCUSSION:

The NRC staff has developed the attached plan for implementing the Task Force recommendations and actions. The plan contains a specific implementation plan for each of the 10 recommendations and 18 actions. The individual plans present the strategy for implementation, issues that could complicate implementation, lead offices, resource estimates, and the task breakdown. The Task Force met on September 6, 2006, and assigned lead responsibility for each of the recommendations. NRC has the lead or co-lead responsibilities for 6 recommendations and 12 actions. Some of the recommendations and actions have no specific NRC activities identified at this time. The Implementation Plan is intended to be a living document and will be updated to reflect progress and new activities that may be identified. The staff will provide an update of the implementation plan annually.

Offices involved in implementation of various aspects include: Federal and State Materials and Environmental Management Programs (FSME), Nuclear Material Safety and Safeguards (NMSS), Nuclear Security and Incident Response (NSIR), International Programs (IP) and, the General Counsel (OGC).

Execution of the implementation plan by the appropriate offices is ongoing. Many of the activities were already underway or planned and others are considered to be part of routine activities. However, implementation of some of the recommendations and actions involves more significant staff effort and/or is not currently budgeted. In general, staff does not plan to initiate action on these items until the Commission has provided direction on the Implementation Plan; exceptions are noted below. There are five recommendations and five

actions for which resources are not in the current budget. These items are discussed in the following paragraphs.

Recommendations (R) and Actions (A)

- Transportation Security Memorandum of Understanding (R 5-1)

The Task Force recommends development of a Transport Security Memorandum of Understanding (MOU) to serve as the foundation for cooperation in the establishment of a comprehensive and consistent transport security program for risk-significant sources. NRC has agreed to take the lead on the MOU. The MOU would be between NRC, the Department of Homeland Security (DHS)/Transportation Security Administration, and the Department of Transportation (DOT). Resources for development of the MOU are not in the current budget and development of the MOU is not considered to be part of routine activities. It is estimated that approximately 0.5 full time-equivalent (FTE) would be necessary for NSIR in fiscal year (FY) 2007 and potentially in FY 2008 to develop and approve the MOU. This is viewed as a high-priority item. The lead office for development of the MOU is NSIR, with support from NMSS.

- Evaluate Technologies to Detect and Discourage Theft During Transport (R 5-2)

The Task Force recommends that the U.S. Government evaluate the feasibility of using new and existing technologies to detect and discourage the theft of risk-significant radioactive material during transport. The evaluation should include the findings of operational testing of existing technologies offering enhanced security of motor carrier shipments of hazardous material; shipment tracking, including communication systems; radiofrequency identification; vehicle disabling technologies; and mobile and stationary radiation detection systems. DOT and DHS have the lead for this recommendation. It is expected that the Transportation Security Subgroup will be involved in the evaluation; both NMSS and NSIR have representatives on the Transportation Security Subgroup. Resources for NRC staff to participate in this effort are not in the current budget, and participation in the evaluation is not considered to be part of routine activities. Neither DOT nor DHS has developed an implementation strategy yet. However, it is estimated that approximately 0.25 FTE for NSIR and 0.25 FTE for NMSS is needed in FY07 and FY08 for NMSS and NSIR participation in this effort. This is viewed as a low-to-medium-priority item.

- Evaluation of Financial Assurance (R 9-2)

The Task Force recommends that NRC evaluate the financial assurance required for Category 1 and 2 radioactive sources, to assure that funding is available for final disposition of the sources. NRC has the lead for this recommendation. Resources to evaluate the financial assurance are not in the current budget and the evaluation is not considered to be part of routine activities. It is estimated that approximately 1.0 FTE total and \$100,000 in contract money in FY 09 would be necessary for FSME to fully evaluate this issue and develop a technical basis for a possible rulemaking. NRC will need to engage stakeholders in this discussion. This is viewed as a low-priority item. The lead office for this activity is FSME. FSME will form a working group to develop an action plan for the evaluation of this issue.

- Alternative Technologies (R 12-1)

The Task Force recommends that the Alternatives Technology Subgroup evaluate financial incentives; research needs for both alternative technologies and alternative designs,

including financial support; and the cost-benefit of potential alternatives for Category 1 and 2 radioactive sources. Although the Food and Drug Administration originally led the Alternatives Technology Subgroup, the Subgroup is now led by FSME. Resources for the National Academy of Sciences study on alternatives technologies are reflected in the current budget. Resources to conduct the remainder of the alternatives study are not currently in the budget and the evaluation is not considered to be part of routine activities. The Alternative Technologies Subgroup has not yet formed its action plan for the evaluation; however, it is estimated that 0.5 FTE and \$200,000 in contract money in FY 07 and FY 08 for FSME would be necessary to conduct the evaluation. The Subgroup is to report back to the Task Force within 2 years. Because of the 2-year timeframe, this is considered to be a medium-priority item.

- Study on Cesium Chloride (CsCl) Phaseout (R 12-2)

The Task Force recommends that high priority be given to conducting a study, within 2 years, to assess the feasibility of phasing out the use of CsCl in a highly dispersible form. This study should consider the availability of alternative technologies for the scope of current uses, safe and secure disposal of existing material, and international safety and security implications. The Task Force is forming a special subgroup responsible for the study. NRC will co-lead the special subgroup with the Department of State. Resources to conduct the study are not currently in the budget and the study is not considered to be part of routine activities. The special subgroup has not yet formed its action plan for the study; however, it is estimated that 0.5 FTE for FSME and 0.2 FTE for NSIR and \$200,000 in contract money for FY 07 and FY 08 for a total of 1.4 FTE and \$400,000 would be necessary to fully study this issue. As part of Task Force negotiations on this issue, it was agreed to place a high priority on the study, which is to be completed by August 2008. The lead office for this study is FSME, with support from NSIR. The special subgroup is to complete its actions and report to the Task Force by August 2008. Because of the high priority placed on this item, some preliminary activities are being conducted. The CsCl Subgroup has been formed and it is in the process of developing an action plan. No contract money will be expended until the Commission acts on the Implementation Plan.

- Application of Lessons Learned on High-Hazard Material to Radioactive Material Transport and Best Practices from High Threat Urban Area Corridor Assessments (A 5-1 and A 5-2)
The Transportation Security Subgroup should review the findings and conclusions of all research conducted on securing "high hazard" hazardous materials transport, to determine if any of the measures should be applied to transport of risk-significant radioactive sources. In addition, DOT should evaluate the best practices from the high threat urban area corridor assessments, to determine whether it should incorporate any of the best practices into the requirements for security plans for risk-significant radioactive material. DOT should also evaluate whether transport of lower-risk radioactive material warrants a security plan or whether the transport could be exempted from some of the requirements. DOT has the lead for both of these actions. It is expected that DOT will have the Transportation Security Subgroup conduct the evaluation for both of these actions. Both NMSS and NSIR have representatives on the Transportation Security Subgroup. Resources for NRC staff to participate in this effort are not in the current budget and participation in the evaluations is not considered to be part of routine activities. DOT has not developed an implementation strategy yet; however, it is estimated that approximately 0.25 FTE for NMSS and 0.25 FTE for NSIR in FY07 and FY08 would be necessary for NMSS and NSIR participation in this

effort. NMSS and NSIR staff would participate as appropriate. This is viewed as a low-priority item.

- National Database for Materials Licensees (A 6-2)

The NRC should evaluate the feasibility of establishing a national database, for materials licensees, that would contain information on pending applications and information on individuals cleared for unescorted access. Resources to evaluate the feasibility of establishing a national database for materials licensees are not in the current budget and are not considered part of routine activities. It is estimated that about 0.3 FTE and \$100,000 in contract money in FY 07 are necessary for NSIR, with support from FSME, to conduct the evaluation and make a decision on whether to proceed. This is viewed as a low-priority item.

- Storage of Sources (A 7-1)

NRC should evaluate requiring licensees to review and document the reasons for storage of risk-significant sources longer than 24 months and the feasibility of establishing a maximum time limit on the long-term storage of risk-significant sources not in use. Resources to evaluate the need to establish new requirements on storage of risk-significant sources are not in the current budget and are not considered part of routine activities. It is estimated that about 1.0 FTE in FY 09 are necessary for FSME to conduct the evaluation and make a decision on whether a rulemaking is necessary. This does not include resources to conduct a rulemaking. This is viewed as a low-priority item.

- Need for Specific Import Licenses (A 10-5)

NRC should consider reevaluating the need for a specific import license to allow the import of Category 1 and 2 radioactive sources to a U.S. licensed user. Resources to evaluate the need for specific import licenses are not in the current budget and are not considered part of routine activities. It is estimated that about 0.2 FTE in FY 07 are necessary for IP to conduct the evaluation and make a decision on the need for specific import licenses. This is viewed as a low-priority item.

The NRC implementation plan is enclosed for the Commission's approval. This document will evolve as the affected NRC offices and other agencies work toward implementation of the various recommendations and actions. As noted above, the staff will inform the Commission, annually, of significant progress in effecting the security enhancements outlined in the implementation plan.

The Task Force is developing an integrated implementation plan that outlines the activities of all the agencies. The NRC plan will be combined with those from other agencies to form an integrated plan that addresses all the recommendations and actions. The Task Force hopes to complete the integrated plan by the end of the year. FSME will provide an informational copy of the integrated plan to the Commission when it is completed.

COMMITMENT:

The staff has committed to providing the Commission with an annual update to the NRC Implementation Plan.

The staff has committed to providing the Commission with a copy of the integrated implementation plan of the Task Force.

RECOMMENDATION:

That the Commission approve the NRC Implementation Plan for the Radiation Source Protection and Security Task Force Report.

RESOURCES:

The resources in this paper reflect the unbudgeted resources that the staff estimates are necessary for the implementation of five recommendations and five actions identified in the Task Force Report. Resources for the implementation of the other report recommendations and actions not addressed in the paper are currently budgeted.

To complete all unbudgeted recommendations and actions, the following resources will be needed: FY 07, \$500,000 and 3.2 FTE; FY 08, \$400,000 and 1.7 FTE; and FY 09, \$100,000 and 2.0 FTE. In FY 07 and FY 08, offices anticipate that resources to implement R 5-2, A5-1/A 5-2, A 6-2, and A 10-5 can be absorbed within budgeted resources without impact to existing activities. Resources for the remaining unbudgeted recommendations and actions in FY 07 and FY 08 will need to be reallocated from lower priority activities. The lower priority activities from which resources will be allocated will be determined through the PBPM process. After Commission direction on the implementation of recommendations and actions, offices will identify the impact of the reallocation on the activities which have a reduction of resources. Resources for FY 09 will be sought during the FY 09 Planning, Budgeting, and Performance Management (PBPM) process.

There is some uncertainty as to the exact fiscal year resources that will be needed for some recommendations and actions because detailed plans have not been developed. The table on the following page represents needs by fiscal year based on the information currently available.

Table - Unbudgeted Resources Necessary for Implementation

Recommendation/Action	Office	FY 2007		FY 2008		FY 2009	
		\$K	FTE	\$K	FTE	\$K	FTE
R 5-1 Transport Security MOU ¹	NSIR	0	0.5	0	0	0	0
R 5-2 Evaluate Technologies for Transport ²	NMSS	0	0.25	0	0.25	0	0
	NSIR	0	0.25	0	0.25	0	0
R 9-2 Financial Assurance ³	FSME	0	0	0	0	100	1.0
R 12-1 Alternative Technologies ¹	FSME	200	0.5	200	0.5	0	0
R 12-2 CsCI Phaseout ¹	FSME	200	0.5	200	0.5	0	0
	NSIR	0	0.2	0	0.2	0	0
A 5-1 and A 5-2 Lessons Learned and Best Practices for Transport ²	NMSS	0	0.25	0	0.25	0	0
	NSIR	0	0.25	0	0.25	0	0
A 6-2 National Database ²	NSIR	100	0.3	0	0	0	0
A 7-1 Storage ³	FSME	0	0	0	0	0	1.0
A 10-5 Specific Import Licenses ²	IP	0	0.2	0	0	0	0
Total		500	3.2	400	1.7	100	2.0

Footnotes:

1. Resources to be reallocated from lower priority activities
2. Resources can be absorbed within budgeted resources
3. Resources to be sought during the FY 2009 PBPM process.

COORDINATION:

The Office of the General Counsel has no legal objection to this paper. The Office of the Chief Financial Officer has reviewed this Commission Paper for resource implications and has no objections.

/RA William F. Kane Acting for/

Luis A. Reyes
Executive Director
for Operations

Enclosure:

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