

IN RESPONSE, PLEASE
REFER TO: M061025B

October 25, 2006

MEMORANDUM FOR: Luis A. Reyes
Executive Director for Operations

FROM: Annette L. Vietti-Cook, Secretary /RA/

SUBJECT: STAFF REQUIREMENTS - AFFIRMATION SESSION, 1:25 P.M.,
WEDNESDAY, OCTOBER 25, 2006, COMMISSIONERS'
CONFERENCE ROOM, ONE WHITE FLINT NORTH,
ROCKVILLE, MARYLAND (OPEN TO PUBLIC ATTENDANCE)

I. SECY-06-0205 - Final Rule: National Source Tracking of Sealed Sources (RIN 3150-AH48)

The Commission approved a final rule amending Parts 20 and 32 of Title 10 of the *Code of Federal Regulations*, subject to the changes noted below. The amendments establish the regulatory foundation for the National Source Tracking System. The final rule requires licensees to report transactions involving the manufacture, transfer, receipt, disassembly, and disposal of nationally tracked sources.

Following incorporation of these changes, the Federal Register notice should be reviewed by the Rules Review and Directives Branch in the Office of Administration and forwarded to the Office of the Secretary for signature and publication.

(EDO)

(SECY Suspense:

11/24/06)

Changes to the final rule in SECY-06-0205

1. The staff should modify the rule text to reflect reporting compliance dates that more accurately align with the predicted November 2007 completion of the NSTS.
2. Delete (NRC Form 748) from 20.2207 and in the subsections a through e.
3. On page 21, first full paragraph, the well logging example should be deleted.

The staff should work with the NRC's external stakeholders to develop and recommend to the Commission alternative and less burdensome reporting and verification guidelines for Category 3 sources which would provide adequate protection of the public health and safety commensurate with the reduced risk associated with these materials.

The staff should work with those States that have expressed reservations about overseeing their licensees' implementation of the NSTS reporting requirements to identify ways in which the NRC can ameliorate their underlying concerns and possibly withdraw their objections to the public health and safety basis for the NSTS rule.

The staff should propose a strategy for the NRC to approach the Congress for legislation and secure a reasonable appropriation from the general fund to support the development and maintenance of the national structure for regulating nuclear materials.

Additionally, the staff should propose a strategy for the NRC to provide annual funding to States for training, regulatory guidance development, and other activities that support the development and initiation of State NSTS programs, to the extent permitted under NRC's current legal authority to do so.

cc: Chairman Klein
Commissioner McGaffigan
Commissioner Merrifield
Commissioner Jaczko
Commissioner Lyons
EDO
OGC
CFO
OCAA
OCA
OIG
OPA
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)
PDR