January 10, 2007

Mr. Gene Aloise
Director, Natural Resources
and Environment
U.S. Government Accountability Office
441 G Street NW
Washington, D.C. 20548

Dear Mr. Aloise:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am responding to your e-mail dated December 20, 2006, requesting NRC review and comment on your draft report, "Nuclear Nonproliferation: DOE's International Radiological Threat Reduction Program Needs to Focus Future Efforts on Securing the Highest Priority Radiological Sources" (GAO-07-282). I appreciate your providing the NRC the opportunity to review this draft report, the time and effort that you and your staff have invested in reviewing this important topic, and the care that you have taken to ensure that your report is accurate and constructive. Although the report is not focused principally on NRC activities, it does recognize NRC's contribution to this important effort.

With regard to the Government Accountability Office's (GAO) recommendation that the United States Congress consider providing the NRC the authority and direct appropriation to conduct international regulatory infrastructure development in support of the long-term sustainability of radiological source security efforts, the NRC notes that this recommendation would expand its current program of international assistance in regulatory controls over sources. NRC already has a modest program to strengthen the regulation of sources in countries such as Armenia, Georgia, and Azerbaijan. This program seeks to ensure that the national regulator has a sustainable nuclear regulatory infrastructure that includes a legislative mandate to control sources, resources and skilled personnel, and the means to implement the guidance in the International Atomic Energy Agency's (IAEA) Code of Conduct on the Safety and Security of Radiological Sources. If Congress implements GAO's recommendation, NRC would work closely with the Department of State, relevant Executive Branch agencies, and IAEA to expand the NRC's present program. In addition, the NRC believes that the direct funding must be sufficient on an annual basis to expand and sustain the short and long-term efforts of the program. Because NRC is required by law to recover most of its budget through fees to licensees and applicants, funding for these activities should be exempt from NRC's fee recovery requirements.

In addition to NRC's comment on GAO's recommendation, I have enclosed additional comments related to enhancing the clarity and accuracy of statements in the body of the report. Should you have any questions about these comments, please contact Ms. Melinda Malloy, at (301) 415-1785, of my staff.

Sincerely,

/RA/

Luis A. Reyes
Executive Director
for Operations

Enclosure: As stated

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Enclosure: As stated

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Additional U.S. Nuclear Regulatory Commission Comments on Government Accountability Office's Draft Report, "Nuclear Nonproliferation: DOE's International Radiological Threat Reduction Program Needs to Focus Future Efforts on Securing the Highest Priority Radiological Sources" (GAO-07-282)

In addition to the comment on the Government Accountability Office's (GAO) recommendation provided in the cover letter, the U.S. Nuclear Regulatory Commission (NRC) recommends that GAO consider making the following changes to the body of its report:

1. Page 2, 16 - GAO states that the activity levels for each radioisotope thermoelectric generator (RTG) range from 25,000 to 250,000 curies of strontium-90. If approximately 732 RTGs remain unsecured, GAO's determination that this constitutes 2.12 million curies of radioactivity does not correlate to the identified activity levels for each RTG.

2. Page 9 - GAO states that "According to IAEA [International Atomic Energy Agency], confirmed reports of illicit trafficking in radiological materials have increased since 2002." The NRC believes that the identified increase may be attributed to IAEA's accounting practices which encourage member countries to report all cases of lost or stolen sources. In the United States, the NRC does not consider sources which have been stolen and recovered to be reflective of "illicit trafficking." The NRC recommends that GAO provide additional clarification and support of its statement in the report.

3. Page 9 - Recommend removing the final sentence which begins, "In 2002, the Federation..." The sentence identifies specific security information which is inappropriate for the public domain.

4. Page 10 - For clarity, recommend revising the third full sentence to read:

   "In 1987, an accident involving a teletherapy machine containing about 1400 curies of cesium-137, which is generally in the form of a powder similar to talc and highly dispersible, killed four people in Brazil and injured many more after it was disassembled by two people in an abandoned and unsecured radiotherapy institute."

5. Page 14 - Although the term "Radons" is defined in a footnote to Table 1 on page 14, the NRC recommends defining it the first time it is used in the text of the report.

6. Page 37- It appears that Table 5 contains 7 rows of data, but only 6 headings. Two rows appear to correlate to the heading "IAEA Strategic Development".

Enclosure

7. Page 54, first paragraph - Recommend making the following changes:

> "Finally, the lack of coordination between agencies caused problems in mid-2003, when DOE [Department of Energy] and IAEA developed a set of draft ~~regulations~~ recommendations on the physical security of ~~radiological~~ radioactive sources to be used to provide training to member states to strengthen controls over their sources in support of DOE's regulatory development efforts. NRC officials raised significant concern that they were not consulted and that DOE was planning to distribute unofficial guidance that was in conflict with the IAEA Code of Conduct and U.S. ~~standards~~ regulations. ... In addition, they said that concerns over the development of IAEA guidance on security of radioactive sources, which preceded development of the draft regulations, are long standing and that State has worked consistently with IAEA, NRC and DOE to develop and implement a consistent process for preparation and review of security guidance similar to the long established and effective process used by IAEA to develop safety guidance.

8. Page 54, second paragraph - Recommend making the following changes:

> "IAEA has since proposed a new Nuclear Security Series and a review process and the revised DOE ~~draft regulations~~ recommendations will now support a new IAEA S~~s~~ecurity ~~guidance~~ Series document entitled, "Security of Radioactive Sources," which was coordinated with NRC and the Department of State."