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August 27, 2003

The Honorable Pete V. Domenici, Chairman  
Subcommittee on Energy and Water Development  
Committee on Appropriations  
United States Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

I am responding on behalf of the Nuclear Regulatory Commission (NRC) to a request contained in the House report accompanying the Energy and Water Development Appropriations Act, 2003. The Committee was concerned about the threat of terrorist organizations attempting to acquire radioactive materials to use in radiological dispersal devices (RDDs) and requested that the NRC provide a report to Congress detailing the existing controls on these materials, identifying actions underway to strengthen controls on these materials, and outlining additional steps that could be taken to protect the materials that are most likely candidates for an RDD. The Commission's report is enclosed.

As you are aware, the U. S. General Accounting Office (GAO), at the request of Senator Akaka, has prepared a report, "Nuclear Security: Federal and State Action Needed to Improve Security of Sealed Sources" (GAO-03-804). In June, the NRC provided comments on the draft report to GAO. You will find that many of the activities NRC has underway address GAO's recommendations.

We appreciate your interest in these matters. Please contact me if you have any additional questions or concerns.

Sincerely,

/RA/

Nils J. Diaz

Enclosure:

NRC Report to Congress on Controls on  
Radioactive Materials of Concern for Use in RDDs

cc: Senator Harry Reid

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Identical letter sent to:

The Honorable Pete V. Domenici, Chairman  
Subcommittee on Energy and Water Development  
Committee on Appropriations  
United States Senate  
Washington, D.C. 20510  
cc: Senator Harry Reid

The Honorable David L. Hobson, Chairman  
Subcommittee on Energy and Water Development  
Committee on Appropriations  
United States House of Representatives  
Washington, D.C. 20515  
cc: Representative Peter Visclosky

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**U.S. NUCLEAR REGULATORY COMMISSION (NRC)  
REPORT TO CONGRESS  
ON THE  
CONTROLS OF RADIOACTIVE MATERIALS OF CONCERN  
FOR USE IN  
RADIOLOGICAL DISPERSAL DEVICES (RDDs)**



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**EXECUTIVE SUMMARY**

The NRC has been thoroughly reevaluating its safeguards and security programs and continues to devote considerable effort to determining what actions are needed to enhance the security of radioactive materials licensed<sup>1</sup> by the NRC for medical, industrial, and academic uses. The emphasis of this reevaluation has been on preventing the utilization of materials that present higher risks to public health and safety in radiological dispersal devices (RDDs).<sup>2</sup> The objective of NRC's programs to control radioactive materials is to ensure the protection of the public and the environment and to promote the Nation's common defense and security. The overall approach is risk-informed, focuses on radioactive materials of greatest concern, and uses measures that are based on a computational methodology that systematically evaluated radioactive materials for RDD concerns. The actions we have taken and the goals of our continuing efforts to enhance security are to ensure that:

1. RDD attacks are prevented by identifying, adequately securing, and appropriately monitoring radioactive materials of greatest concern (prevent events);

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<sup>1</sup> License: A license issued under the regulations of Parts 30 through 36, 39, 40, or 70 of Title 10 of the Code of Federal Regulations or by an Agreement State under its equivalent regulations. Specific licenses are issued for medical, academic, and industrial uses of nuclear materials. Reactor-produced radionuclides are used extensively throughout the United States for civilian and military industrial applications; basic and applied research; the manufacture of consumer products; civil defense activities; academic studies; and for medical diagnostics, treatment, and research. The regulatory programs of NRC and Agreement States are designed to ensure that licensees safely use these materials and do not endanger public health and safety nor cause damage to the environment.

<sup>2</sup> Radiological Dispersal Device (RDD): A device or mechanism that is intended to spread radioactive material from the detonation of conventional explosives or other means.

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2. Response organizations are adequately prepared for a potential RDD attack (limit consequences of events); and
3. International and domestic organizations are addressing RDD issues in an integrated, consistent manner (communication and coordination).

In order for terrorists to accomplish their objective for the malevolent use of radioactive materials, they need to first gain access to radioactive material. Our regulatory program is intended to prevent this access, while allowing beneficial use of the radioactive material. NRC's authority is limited to radioactive materials pursuant to the Atomic Energy Act (AEA) of 1954, as amended. Most naturally occurring and accelerator-produced radioactive materials are under the control of the States.

#### BACKGROUND

Historically, NRC has applied a graded program for the safeguards and security of nuclear and radioactive material that we regulate. NRC's longstanding approach to security of radioactive material is to provide the highest protection to special nuclear material which, if stolen, could most readily be used in a nuclear explosive device. This approach is consistent

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with that of other Federal agencies, including the Department of Energy (DOE) and the Department of Defense (DOD), as well as the International Atomic Energy Agency (IAEA).

Security of radioactive materials licensed by the NRC for medical, academic, and industrial uses is also an important responsibility of NRC because these radioactive materials are in widespread use in our Nation. There are millions of radioactive sources in the United States, and approximately 20,000 specific licensees and thousands more general licensees<sup>3</sup>. The amount of radioactive material in these sources varies from one one-millionth of a curie<sup>4</sup> to millions of curies. Although a large number of organizations possess radioactive materials, only a small fraction of that material would present a credible terrorist target. This is because at most facilities the radioactive material is either in small quantities, is in low-hazard form, has a short half-life<sup>5</sup>, is relatively inaccessible, or possesses a combination of these attributes. We have also applied a graded approach to security that is generally consistent with the potential radiation risk from these materials. Similarly, the range of oversight by NRC and the State agencies that regulate radioactive materials pursuant to agreements with NRC

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<sup>3</sup> A general license, under our regulations, grants authority to a person for certain activities involving byproduct material and is effective without the filing of an application with the Commission or the issuance of a licensing document to a particular person. However, registration with the Commission may be required by the particular general license. Certain industrial and medical products or devices containing limited quantities of radioactive material can be used and possessed under general licenses.

<sup>4</sup> Curie (Ci): The basic unit used to describe the intensity of radioactivity in a sample of material.

<sup>5</sup> Half-life: The time in which one half of the atoms of a particular radioactive substance disintegrates into another nuclear form. Measured half-lives vary from millionths of a second to billions of years. Also called physical or radiological half-life.

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(Agreement States<sup>6</sup>) is commensurate with the level of risk to workers and the public that the materials pose when used for their intended purpose.

The NRC and the nuclear industry have taken a number of actions to ensure the safe operation of nuclear facilities and use of radiological materials. The NRC continues to assess the security of radioactive materials and will take action, as needed, to protect the public health and safety and the common defense and security. Immediately following the terrorist attacks of September 11, 2001, the NRC advised licensees with large amounts of radioactive material to increase their alertness to security matters. Those with radioactive materials used for medical, industrial, and academic purposes were advised to take certain actions to enhance security to further reduce the possibility of terrorists acquiring sources, and they promptly did so. Based on a risk-informed approach to securing radioactive materials, NRC has issued Orders to the uranium conversion facility, Category I and III fuel cycle facilities, gaseous diffusion plants, and large irradiator licensees. The Orders required licensees to enhance security and will remain in effect until the Commission determines otherwise. NRC is currently working with the States and the Department of Homeland Security (DHS) to require similar security enhancements for other accelerator-produced and naturally occurring radioactive material of concern for use in an RDD.

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<sup>6</sup> Agreement State: A state that has signed an agreement with the Nuclear Regulatory Commission under which the state regulates the use of byproduct, source, and small quantities of special nuclear material within that state. There are 33 Agreement States and approximately 16,300 specific licenses issued within those states.

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On March 17, 2003, consistent with the launch of Operation LIBERTY SHIELD and the increase in the national threat level to "High/Orange," NRC issued a nationwide Safeguards Advisory to all NRC and Agreement State licensees authorized to possess and/or transport the types and quantities of radioactive material that are of greatest concern for potential malevolent use in an RDD. We advised licensees to increase security immediately for high-risk radioactive sources and to maintain a high level of alertness to security-related matters. We also requested that shippers of large quantities of radioactive material provide advance notification to the NRC and States. (The details of the Safeguards Advisory involve sensitive information that cannot be publicly released.)

Another vital ongoing NRC activity is the enhancement of our incident response program. The NRC continues to work with DHS and other Federal agencies on the integration of Federal Response Plans into a unified National Response Plan. In late February, the NRC began sharing security incident information with registered recipients with a "need to know" to facilitate the faster and easier exchange of such information. We have conducted and participated in a number of significant exercises involving Federal, State, and local agencies to examine and enhance the coordinated response to radiological events involving weapons of mass destruction.

We have worked with DOE to increase the protection of the high-risk radioactive sources which could be useful in an RDD. A DOE/NRC Working Group recommended the types and quantities of radioactive materials that are of greatest concern from an RDD

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perspective (also referred to as high-risk sources). The Working Group also outlined actions to increase the regulatory oversight of these sources and prevent ready access to these sources by terrorists. The elements of this system include verification of the legitimacy of the applicants for licenses; requirements governing the security of high-risk sources while in transit, in storage, and in use; controls on access to sources to prevent diversion by an insider; requirements for tracking and inventorying of high-risk sources to ensure that the source has not been lost or stolen; export and import controls on high-risk sources; more effective inspections to verify the adequacy of the regulatory controls; and measures to ensure safe disposal. In short, we are striving to establish cradle-to-grave security for these high-risk sources.

NRC is coordinating with the DHS, DOE, the Environmental Protection Agency (EPA), and other Federal and State agencies concerning the potential threat from RDDs. NRC is participating in the DHS Working Group to address the threat of RDDs. NRC has actively supported the U.S. Government in its effort with the IAEA to develop an international "Code of Conduct on the Safety and Security of Radioactive Sources." The goal of this activity, and the associated "Categorization of Radioactive Sources" document, is to create a harmonized global system of controls that focuses on sources of highest risk. The NRC also played a key role in an international RDD conference during the week of March 10, 2003, that was sponsored by DOE, Russia, and the IAEA (among others) and that was attended by over 100 nations. During that conference, key issues relating to the security of high-risk radioactive sources and the actions which must be taken worldwide to improve the protection of these sources were discussed. The NRC is participating in a follow-on conference in Morocco in September 2003.

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In short, significant progress is being made toward putting in place complementary national and international controls on high-risk radioactive sources.

We have continued to make progress in enhancing coordination and collaboration with other agencies to enhance homeland security. We have established an active liaison with DHS, and have strengthened existing coordination with other agencies and organizations, such as the Homeland Security Council (HSC), the Federal Bureau of Investigation, and the Central Intelligence Agency. We are also coordinating with the Department of Transportation (DOT) and the Transportation Security Administration of DHS concerning enhanced security measures for shipments of large quantities of radioactive material.

The Commission has established a Materials Security Working Group involving both the Organization of Agreement States (OAS) and the Conference of Radiation Control Program Directors (CRCPD) to ensure close coordination in the development, implementation, and enforcement of additional security Orders to those licensees possessing radioactive material of concern. This Working Group also will be used to discuss and identify potential resolutions for other materials security issues. The Working Group will consider processes, within the existing regulatory framework, to enhance NRC's cooperation with our Agreement State colleagues on issues affecting their licensees related to the common defense and security and protecting safeguards information that the Atomic Energy Act reserves to the Commission. While we are not prepared to advocate any changes to our statutory framework in this report, the Commission will explore potential changes with the Materials Security Working Group. The

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Commission is also establishing another working group with the OAS and DOE to ensure close coordination in the development and implementation of tracking requirements for high-risk radioactive sources of concern in the possession of NRC and Agreement State licensees.

As part of the reevaluation of our safeguards and security programs, NRC is conducting integrated risk-informed vulnerability assessments for materials licensees. The assessments are looking at structures and process systems, physical protection systems, information systems, material control and accountability systems, and access control systems, as well as a range of malevolent events, including theft of material for use in an RDD. The assessments will be used by NRC to make decisions about longer term enhancements to the regulatory program for the protection of each type of facility and the security of radioactive material.

The following information outlines NRC's existing controls on radioactive materials licensed by the NRC for medical, industrial, and academic uses and actions that are completed, underway, or planned to enhance security for the materials of concern for use in RDDs:

#### A EXISTING CONTROLS - REGULATORY REQUIREMENTS

The Commission's regulatory program for the possession and use of radioactive materials for medical, industrial, and academic purposes has radiation safety requirements that are geared toward preventing unintended radiation exposures to workers and members of the public. The extent of required safety features is generally commensurate with the risk of the material possessed and its use. While the safety

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requirements were not established to explicitly protect against a determined malevolent threat, they do however have ancillary security benefits that help in the control and tracking of sources and to deter such a threat:

- 1 Licensees must secure stored licensed radioactive materials from theft and unauthorized access. The radioactive material must be stored such that access to the material is controlled to prevent unauthorized entry and removal of the licensed material, and to limit radiation exposure to workers and members of the public to values below 10 CFR Part 20 limits. Normally this is accomplished by locking or otherwise securing building entrances and doors to storage facilities or by physically securing the devices or storage containers.
- 2 Licensees must control and maintain constant surveillance of licensed radioactive material that is not in storage. The radioactive material must be used or supervised by an authorized person that has appropriate radiation safety training. When the radioactive material is in use, radiation protection for members of the public is provided by limiting access to areas near the material. This is normally accomplished by direct observation of the restricted or radiation area by one or more authorized individuals. This could also be done by other access control and surveillance methods, up to and including electronic interlocks and alarms.

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- 3 Before transferring licensed material, a licensee must verify that the recipient is licensed to possess the material. Licensees must have an adequate method for determining that the person to receive the radioactive material is authorized to possess it. This is normally accomplished by evidence of a license issued by NRC or an Agreement State.
- 4 Licensees must promptly report to their regulatory agency any thefts or losses of radioactive material. The NRC and Agreement States have regulatory requirements for licensees to report the theft or loss of licensed material. The reporting requirements are commensurate with the quantity of material, the relative hazard of the material, and the potential radiation exposure to a member of the public.
- 5 Medical, industrial, and academic licensees periodically inventory their radioactive material. While there are no prescriptive requirements to conduct a physical inventory of the radioactive material at prescribed intervals, there are other regulatory requirements and business practices that compel licensees to know how much material they have and to keep track of where it is located.
- 6 The import and export of byproduct radioactive materials is normally done under a general license. While the import of byproduct radioactive materials used for medical, industrial, and academic purposes is performed under a general

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license, the consignee must be specifically licensed to possess the material or be authorized under a general license to receive the material from a specifically licensed authorized distributor. These same radioactive materials are similarly exported under a general license. However, NRC's regulations provide controls over these exports that:

- a prohibit exports to embargoed destinations,
- b limit the quantity of certain isotopes and the type of product that can be exported to restricted destinations, and
- c require annual reports for americium and neptunium export shipments.

- 7 Manufacturers and distributors of certain industrial devices containing radioactive material in sealed sources must maintain records of the transfers to generally licensed individuals and provide quarterly reports to NRC of these transfers.
- 8 While most generally licensed devices are considered low-risk, annual registration is required for certain devices. Those generally licensed devices that require annual registration are considered to present a higher risk of potential exposure to the public or property damage in the case of loss of control. The registration requires that general licensees verify information about the devices through a physical inventory and by checking label information.

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- 9 NRC coordinates with law enforcement and the intelligence community about threats and terrorist activities and promptly issues Information Assessment Team and Safeguards Advisories as appropriate.

B EXISTING CONTROLS - ACTIONS TAKEN TO ENHANCE SECURITY AND STRENGTHEN CONTROLS

The Commission has already done the following to improve the security of high-risk radioactive sources:

- 1 Following the terrorist events of September 11, 2001, NRC prepared a classified report, "NRC Point Paper on Availability and Control of Radioactive Material" October 15, 2001, to assess RDD risks and controls.
- 2 The DOE/NRC Interagency Working Group Report on RDDs was completed in May 2003. Together with the Department of Energy (DOE), we have defined the radionuclides of concern and action levels for those radionuclides. Working with appropriate Federal agencies, particularly the Department of State (DOS), we have sought to reconcile the DOE/NRC definition of high-risk radioactive sources with that being developed by the International Atomic Energy Agency (IAEA) in its TECDOC-1344 "Categorization of Radioactive Sources."

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- 3 We, together with DOE and DOS, have ensured that the United States has taken a leadership role in drafting IAEA's "Code of Conduct on the Safety and Security of Radioactive Sources," a document which we hope will be finalized at the September 2003 IAEA General Conference Meeting. The IAEA's "Code of Conduct on the Safety and Security of Radioactive Sources" will serve as recommended guidance to countries for the harmonization of policies, laws, and regulations on the safety and security of radioactive sources.
- 4 The Commission has issued numerous advisories on security of sources, the most important of which was the advisory issued on March 17, 2003, at the initiation of Operation Liberty Shield. Working with our Agreement State colleagues, we assembled a list of approximately 2100 NRC or Agreement State licensees whose licenses permit them to possess greater than NRC/DOE action-level quantities of the radionuclides of concern, and promptly issued the advisory to them. That advisory specified the additional security measures which we felt appropriate with the Nation at the orange threat level.
- 5 The Commission issued an Order to large panoramic irradiators on June 6, 2003, the detailed security measures of which are safeguards information under Section 147 of the AEA. The Commission determined that the irradiator security compensatory measures are safeguards information warranting protection under Section 147 of the AEA. NRC is currently evaluating whether security

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compensatory measures for other medical, industrial, and academic licensees should also be safeguards information.

- 6 The Commission has established a Materials Security Working Group involving both the OAS and the CRCPD to ensure close coordination in the development of additional security Orders to those licensees possessing Category 1 or 2 quantities of radionuclides of concern as defined in TECDOC-1344 "Categorization of Radioactive Sources."
- 7 NRC coordinated with HSC to draft a legislative package to establish needed security requirements and continues to coordinate with HSC and Congress to recommend appropriate security legislation.
- 8 NRC assessed the vulnerability of license documents to forgery or fraudulent reproduction to acquire radioactive material for malevolent uses.
- 9 NRC has taken action and participated in activities that contribute to enhancing the coordinated response to radiological events and limiting potential health consequences, environmental damage, economic impacts, and psychological impacts from an RDD event.
  - a NRC participated in the emergency response exercises for RDDs (Busride 1 and 2 and TOPOFF 2).

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- b NRC has updated its response procedures to address RDD events and the responsibilities of NRC and other agencies.
  - c NRC has improved its consequence modeling capability for RDD events. NRC continues to refine and incorporate new RDD parameters into the models to enhance protective measure recommendations and actions.
  - d NRC participated in the DHS RDD/Improvised Nuclear Device (IND) Working Group Phase I efforts. The DHS IND/RDD Phase I Working Group consisted of fourteen U.S. Government agencies and departments working together to analyze information and gaps; review agency plans and lessons-learned; and develop policy options for RDD preparedness, prevention, response and recovery, and for deterrence and detection of nuclear smuggling into or within the United States.
- 10 NRC met in February 2002 and May 2003 with Mexico and Canada to discuss source control issues and monitoring of radioactive material at boarders. NRC is continuing its participation in this trilateral initiative and anticipates annual meetings.
- 11 NRC has encouraged and supported participation of State and local authorities in planning activities to define roles and responsibilities. NRC sponsored the Joint DHS and NRC State Homeland Security Outreach Workshop on June 17-18, 2003.

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- 12 NRC developed and continues to revise and update communication plans to address the issues and concerns related to licensed material and possible use of RDDs.

C ACTIONS UNDERWAY TO ENHANCE SECURITY AND STRENGTHEN CONTROLS

The Commission has initiated the following:

- 1 NRC is coordinating with DOE and DOS to work with the IAEA to encourage member states to participate in the Model Projects on Upgrading Radiation Protection Infrastructure and other programs which enhance cradle-to-grave national regulatory safety and security controls over radioactive sources.
- 2 The Commission, in partnership with the OAS, is currently planning for an initial inventory of high-risk radioactive sources (e.g., sources containing Category 1 and 2 quantities of radionuclides of concern as defined in IAEA's TECDOC-1344 "Categorization of Radioactive Sources." ) in the possession of all NRC and Agreement State licensees. An interim database is under development, and the Commission is also establishing another working group with the OAS to ensure close coordination for collection of the information.

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- 3 NRC is coordinating and participating with DOE on the trilateral initiatives to secure sources in Former Soviet Union countries and to review security of sources that pose a terrorist threat to U.S. interests.
- 4 NRC has started the process to identify, develop, and implement mechanisms to track radioactive material of greatest concern through all phases of use and disposition, to include tagging sources, database development and accessibility, and tracking capabilities. NRC continues to coordinate with DOE on the development of a National Source Tracking System.
- 5 The NRC is in the process of establishing the mechanisms for verifying the legitimacy of licensees via an accessible database to include NRC and Agreement State licensees. This will allow a licensee that is transferring licensed material to verify that the recipient is licensed to possess the material, thereby mitigating the vulnerability of fraudulent license documents being used to acquire radioactive material.
- 6 NRC is developing and implementing inspections and enforcement protocols for the irradiator security compensatory measures. A Temporary Inspection procedure and agreements for inspections by the States under Section 274i of the AEA have been drafted and are under review by the States.

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- 7 The Commission, in partnership with the OAS and CRCPD, is coordinating in the development, implementation, and enforcement of the additional compensatory measures and information security Orders to those licensees possessing Category 1 or 2 quantities of radionuclides of concern as defined in TECDOC-1344 "Categorization of Radioactive Sources."
- 8 NRC is participating in the development and incorporation of security standards into IAEA's transportation guidelines.
- 9 NRC is participating on an international working group that is addressing sabotage concerns for transport and shipping casks.
- 10 NRC is conducting vulnerability assessments of certain medical, industrial, and academic licensees to identify potential mitigating strategies.
- 11 NRC is coordinating with DHS to request that States implement security enhancements for non-AEA radiological material of concern for use in RDDs. NRC is also coordinating this issue with the States through the Materials Security Working Group.
- 12 Pending legislation that would allow background checks of license applicants, NRC is inspecting new licensees before receipt of radioactive material of

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concern to verify a legitimate business use for the radioactive materials. This issue is being coordinated with the Materials Security Working Group to assure consistency among NRC and Agreement States.

- 13 NRC is expanding the existing Offsite Source Recovery Program (OSRP) program to identify, collect, and dispose of stolen, lost, and orphaned sources to include unwanted, or end-of-life radioactive materials of concern.
  - a NRC is coordinating with DOE, other Federal agencies, CRCPD, and individual States to establish a strategy for storage/disposal of sources of concern. We are continuing our coordination with DOE for the accelerated recovery of known unwanted/unsecured high-risk sources of concern. We continue coordinating with and funding CRCPD to implement and further develop its national orphan source program.
  - b NRC is working with DOE, other Federal agencies, and States to assure proper and secure disposal of sources at end of life, including Greater-than-Class-C<sup>7</sup> sources.

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<sup>7</sup> Greater-Than-Class-C (GTCC): Defined in the Low-Level Waste Policy Amendments Act of 1985 as LLW that exceeds the Class C limits in 10 CFR 61.55, "Licensing Requirements for Land Disposal of Radioactive Waste." This section classifies LLW as Classes A, B, or C, according to concentration of specific short- and long-lived radionuclides; this section also sets varying requirements on waste forms for disposal. Most forms of GTCC waste are generated by routine operations at nuclear power plants, fuel research facilities, and manufacturers of radiopharmaceuticals and sealed sources used in medical and industrial applications, and in moisture and density gauges, and contaminated trash. GTCC waste is generally unacceptable for near-surface disposal.

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- 14 NRC's Office of Research is evaluating the feasibility of using alternate forms of radioactive materials of greatest concern based on the dispersability of the material. Use of radioactive material that is not easily dispersed will reduce its attractiveness for use in an RDD.
- 15 NRC's existing emergency response program is expanding to include participation, as appropriate, in future emergency response exercises for RDDs. This enhances the coordinated response to radiological events, to limit potential health consequences, environmental damage, economic impacts, and psychological impacts from an RDD event.
- 16 NRC continues to work with other Federal agencies and laboratories to coordinate efforts to improve its consequence modeling capability for RDD events. NRC continues to refine and incorporate new RDD parameters into the models to enhance protective measure recommendations and actions.
- 17 NRC is active in the DHS RDD/IND Working Group Phase II efforts and expects to be involved in Phase III activities. The DHS IND/RDD Phase II Working Group consists of all Federal agencies working together (with DHS as Chair of six subgroups) to prepare policy options to prevent terrorist introduction or use of nuclear and/or radiological devices and material within the U.S. through

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detection, interdiction, neutralization, and disposal of such devices, and to respond quickly in the aftermath of a domestic and/or nuclear event.

D ADDITIONAL STEPS - PLANNED ACTIONS TO ENHANCE SECURITY AND STRENGTHEN CONTROLS

The Commission has plans in place to do the following:

- 1 The Commission will develop a requirement for tracking such sources as envisioned in the IAEA "Code of Conduct on the Safety and Security of Radioactive Sources."
- 2 NRC is planning to implement initial import/export security enhancements through advanced notifications for radioactive materials of greatest concern. These notifications will be implemented in conjunction with the compensatory measures Orders discussed in Item C7.
- 3 NRC will develop and implement inspection and enforcement protocols for the security compensatory measures imposed on those licensees possessing Category 1 or 2 quantities of radionuclides of concern.
- 4 The Commission will, in consultation with DOS and other agencies, enhance the export and import control system for high-risk radioactive sources by implementing the IAEA "Code of Conduct on the Safety and Security of

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Radioactive Sources," and ensure the compatibility of our system with those of other countries. NRC will initiate rulemaking for the necessary administrative requirements to implement such an export and import control system.

- 5 NRC is planning to reassess general license authorizations to determine whether the security requirements are adequate for the current threat environment.
- 6 NRC is planning on initiating rulemakings to incorporate compensatory measures imposed by Orders and new security mitigating strategies developed as a result of the ongoing vulnerability assessments.
- 7 NRC will establish appropriate criteria and performance measures to evaluate State program effectiveness related to inspecting security measures, for radioactive material of concern, under agreements pursuant to Section 274i of the AEA.

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