

September 21, 2007

MEMORANDUM TO: Stephen D. Dingbaum
Assistant Inspector General for Audits
Office of the Inspector General

FROM: Charles L. Miller, Director /RA/
Office of Federal and State Materials
and Environmental Management Programs

SUBJECT: STATUS OF RECOMMENDATIONS: AUDIT OF THE
DEVELOPMENT OF THE NATIONAL SOURCE TRACKING
SYSTEM (OIG-06-A-10)

In your memorandum to me, dated April 25, 2007, you requested an updated response regarding status of recommendations from the audit of the development of the National Source Tracking System (NSTS), in particular the preparation of the regulatory analysis on inclusion of International Atomic Energy Agency (IAEA) Category 3 sources in the NSTS.

As you are aware, in a Staff Requirements Memorandum (SRM) dated June 9, 2006, the Commission directed the staff to submit to the Commission a proposed rule to include IAEA Category 3 data in the NSTS. In response to that SRM, the staff is currently developing a technical basis and a regulatory impact analysis to provide the rationale for considering inclusion of licensees with Category 3 and 3.5 sources in the NSTS. In preparing the technical basis and regulatory analysis, we plan to use, as partial input, results and information on numbers of licensees and sources obtained from the one-time data collection and analysis of Category 3.5 sources, which the SRM also directed the staff to undertake. That one-time data collection is under way and substantial amounts of data have already been obtained. The staff has formed a Rulemaking Working Group, consisting of headquarters technical and legal staff, Nuclear Regulatory Commission regional staff, and Agreement State representatives, to consider technical information and issues associated with inclusion of IAEA Category 3 sources in the NSTS. The current schedule for this effort calls for submittal of a proposed rule package to the Commission in March 2008. That proposed rule package will include the *Federal Register* notice containing the proposed rule and the draft regulatory impact analysis with a request that the Commission issue them for public comment.

I trust that the above provides an update on preparation of the regulatory analysis for expanding the materials tracked in NSTS.

CONTACT: Frank P. Cardile, FSME/DILR
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