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UNITED STATES OF AMERICA

NUCLEAR REGULATORY COMMISSION

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INDEPENDENT EXTERNAL REVIEW PANEL MEETING

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TUESDAY

OCTOBER 30, 2007

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ROCKVILLE, MARYLAND

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The Review Panel met at the headquarters of the Nuclear Regulatory Commission, Two White Flint North, Room T2B1, 11545 Rockville Pike, at 1:00 p.m., Mr. Thomas E. Hill, Chairman, presiding.

PANEL MEMBERS PRESENT:

- THOMAS E. HILL, Chair
- MICHAEL T. RYAN, Member
- BENJAMIN NERUD, Member

NRC STAFF PRESENT:

- AARON McCRAW
- JOHN SZABO
- GEORGE PANGBURN
- JANET SCHLUETER
- JOHN HICKEY
- DUNCAN WHITE

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ALSO PRESENT:

STEVEN DOLLEY

GLORIA ROMANELLI

C O N T E N T S

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MEMBER RYAN: It is the appointed hour. I'll remind everybody we're creating a formal transcript and record of this meeting, so if you want to make a statement or at some point make a comment, please, for the record, and our person that's keeping our record, identify who you are and who you're with within the NRC.

As is customary at a federal advisory committee act meeting, I'm going to read a short opening statement to let everybody know, and read, for the record, why we're here.

The meeting will come to order, please.

This is the first meeting of the Independent External Review Panel to identify vulnerabilities in the U.S. Nuclear Regulatory Commission's material licensing program.

During today's meeting, the committee will consider its organizational structure and some information to begin our process of information-gathering and deliberation.

Do we have a Designated Federal Official? For this, we need one.

MS. SCHLUETER: Yes. It's myself, Janet Schlueter.

1 MEMBER RYAN: Okay. Janet Schlueter is
2 the Designated Federal Official for today's session,
3 and you are with?

4 MS. SCHLUETER: I'm the Director of
5 Material Safety and State Agreements Division in FSME.

6 MEMBER RYAN: Great. Thank you very much.

7 We have received no written comments or
8 requests for time to make oral statements from members
9 of the public regarding today's session. Should
10 anyone wish to address the committee, please make your
11 wishes known to one of the committee staff.

12 It's requested that speakers use one of
13 the microphones, identify themselves, and speak with
14 sufficient clarity and volume so that they can be
15 readily heard.

16 It's also requested that if you have cell
17 phones or pagers, that you kindly turn them off. I'll
18 do that myself.

19 And Aaron McCraw is our staff liaison for
20 this activity. So Aaron, do you have any opening
21 comments, or--

22 MR. McCRAW: I believe you covered it by
23 announcing that this is a public meeting.

24 MEMBER RYAN: Right.

25 I've got to ask you, if you're going to

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1 say something, it needs to be on the record. Or if
2 you want to have a conversation--

3 MS. : [Off-microphone]

4 MEMBER RYAN: Oh, yes. Shut your cell
5 phones off, please. That'd be great. Thank you. But
6 if you want to have a side conversation, you need to
7 be outside because the recorder is sort of hearing and
8 not hearing.

9 Okay. We've announced the public meeting.
10 I guess the first thing we ought to do is introduce
11 the advisory committee members.

12 My name is Mike Ryan. I'm the Chairman of
13 the Advisory Committee on Nuclear Waste and Materials,
14 and have gladly accepted the position of being on this
15 committee for considering vulnerabilities in the
16 materials licensing program.

17 MEMBER NERUD: I'm Ben Nerud. I'm with
18 the Defense Threat Reduction Agency. My primary job
19 there is doing vulnerability assessments.

20 CHAIR HILL: I'm Tom Hill, retired, former
21 director of the Georgia Department of Natural
22 Resources, Radioactive Materials Program.

23 MEMBER RYAN: Okay, and I guess we are
24 sponsored through the FSME offices, and maybe you
25 folks could introduce yourselves and how we're

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1 organized, starting with Aaron.

2 MR. McCRAW: Aaron McCraw, the Office of
3 Federal and State Materials and Environmental
4 Management Programs. As Mike pointed out earlier, I
5 am the staff liaison for this review panel.

6 MS. SCHLUETER: Aaron works for myself.
7 I'm Janet Schlueter, as I mentioned earlier. I'm the
8 Director of the Division which is responsible for
9 implementing the GAO action plan. We have a wide
10 variety of activities underneath of our Division for
11 materials licensing and inspection as well as the
12 Agreement State program. So issues that are being
13 considered by this panel, as well as those by the
14 other group, which is the Materials Program Working
15 Group and Steering Committee, will ultimately be
16 considered and implemented by my Division. And Aaron
17 works for me and I report to George.

18 MR. PANGBURN: I'm George Pangburn. I'm
19 Deputy Director of the Office of FSME, and I played a
20 role, along with Janet, and John Kinneman, in
21 developing the Action Plan, the initial response to
22 the GAO findings, and in developing the budget and
23 resources to basically have this effort go forth, and
24 of course our Office will be responsible, through
25 Janet's Division, with implementing the

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1 recommendations that the panel comes up with.

2 MEMBER RYAN: Okay. I guess with any new
3 committee, it's probably well worth--Aaron, if you
4 might perhaps walk us through our agenda for the day,
5 what we hope to accomplish for today's first, opening
6 meeting, and then maybe begin to take us through our
7 charter and our developing action plan, which is one
8 of our activities today. We've got a start on that
9 already.

10 MR. McCRAW: Sure. We'll continue on with
11 the introductions. George may want to make some
12 welcoming comments. After that, John Szabo will be
13 presenting a discussion on ethics and requirements of
14 the Federal Advisory Committee Act. Following that,
15 we'll kind of go over the background for the
16 establishment of the panel, talk about some of the
17 reports and documents that this panel was born out of.

18 Following that, we'll discuss the charter
19 and the clarification of charges, followed by a
20 discussion on future meetings and actions, at least
21 planning the next meeting, then have a opportunity for
22 the members of the public to present any comments.
23 And then we'll let the review panel adjourn.

24 MEMBER RYAN: All right. Great. Thanks
25 very much. So next is George.

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1 MR. PANGBURN: Okay. Thank you. The
2 impetus to begin this panel came out of the GAO
3 finding this summer in which a group of GAO
4 investigators applied to one of our regional offices
5 to get a license from us using bogus credentials.
6 They were successful in getting that license and it
7 pointed out a vulnerability in our process.

8 We responded very quickly to that, when we
9 learned of GAO's findings, and shortly after we
10 learned that, Janet and I sat down with the Commission
11 and committed to develop an action plan in about 30
12 days, and we pretty much made that date with the plan
13 that was SECY-07-0147.

14 The centerpiece of that plan, I would say,
15 is the panel that's meeting here today.

16 It got an awful lot of attention in both
17 testimony before Congress as well as within the
18 Commission, and the Executive Director for Operations.
19 The intent here being to have a group of individuals
20 to take a look at our processes, who were not involved
21 in developing or implementing those processes, in an
22 effort to see, are there other vulnerabilities,
23 perhaps beyond those that the GAO identified, that the
24 Agency needs to look at, and for that critical
25 examination, we felt we needed to bring in some people

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1 from different perspectives.

2 In this case, we have a former licensee,
3 we have a former Agreement State program manager, and
4 we have an individual from another Federal Agency, who
5 is skilled at vulnerability assessments. So we think
6 that this is a particularly strong group to give the
7 Commission, and the EDO, the report that we're looking
8 for, which is to see, are there other things beyond
9 what GAO identified, and how might the Agency go about
10 addressing those.

11 So that's really what we see here coming
12 out of the group. We look forward to working with you
13 and hearing from you, ultimately, on your findings.
14 Janet, would you like to build on that?

15 MS. SCHLUETER: No, other than I would
16 emphasize that the Commission is very much interested
17 in your preliminary thoughts and findings as well as
18 your final report, and as such, they have a very short
19 timeline associated with your efforts, as I'm sure
20 Aaron has familiarized you with, and even has you
21 reporting up through the EDO to the Commission in the
22 December timeframe to share those preliminary findings
23 with them. So it is a very short-term effort for a
24 total duration of appropriately 120 days, and so we
25 appreciate your effort in meeting that goal.

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1 MEMBER RYAN: It's always good to have
2 challenging goals.

3 MS. SCHLUETER: That's right. Stretch
4 goals.

5 MEMBER RYAN: Stretch goals? I'm six-
6 seven already. That's great. Let's see. To that
7 end, I think both of you have commented on it, we may
8 need to call upon you and the staff to give us focus
9 briefings on key areas, perhaps as a product of this
10 meeting. I noticed in one of the announcements of the
11 committee, there were a number of areas, and I was
12 going to quickly try and call them up, and I won't
13 try. You know, we're supposed to cover import-export,
14 source material. You know, there's all sorts of
15 categories where materials are handled and we need to
16 address those in our work product.

17 So we're going to be calling on you, I
18 think through Aaron, and your colleagues, to give us
19 focus briefings on, you know, issues and sometimes--
20 or span of activity.

21 You know, for example, it struck me, how
22 much material do we really import or export, you know,
23 into the country. That's not an area where I have a
24 lot of knowledge; but some. But, you know, again,
25 we're going to need fact-finding from the staff, I

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1 think, on probably, maybe our next couple of meetings,
2 to get going.

3 MS. SCHLUETER: Absolutely. I fully
4 understand that and support that, and to the degree
5 that you can identify those areas soon, because as you
6 know, having the panel subject to FACA requires public
7 noticing for these meetings.

8 MEMBER RYAN: Absolutely.

9 MS. SCHLUETER: And so that will build in
10 some delay, and certainly we can close certain
11 discussions under security exemptions, and so forth.
12 But I suspect the majority of these meetings would be
13 public. And even if you would consider some sort of
14 predetermined schedule, that you might consider
15 meeting on as your calendars allow, that would allow
16 us to just sort of get into the mechanics of noticing
17 the meetings, and getting them routinely scheduled,
18 and everybody's calendars blocked and--

19 MEMBER RYAN: Calendar alignments are key
20 for the short-term committee.

21 MS. SCHLUETER: That's right.

22 MEMBER RYAN: Okay. Let's see. Anything
23 from the Agreement States, sir?

24 CHAIR HILL: No, not at this point, other
25 than as we--you talked about all of the different

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1 licensing and pre-licensing guidance, and I think we
2 are going to be given some information on, readily
3 available for us to review that. And one of the
4 things that I think we've been charged with, that I
5 would like to probably add into that discussion, and
6 briefing, is the issue of the "good faith" presumption
7 and the background.

8 You know, what's the history there? I
9 think I've got some ideas on that, but, you know, my
10 memory may be, you know, not as clear as it should be
11 on that. So that's one of the issues I think as well
12 as licensing agreements.

13 MEMBER RYAN: Ben, any early insights from
14 the threat reduction side of the house?

15 MEMBER NERUD: No; not right now.

16 MEMBER RYAN: Again, I think it's really
17 an asset to have Ben's special expertise on strategic
18 issues with us, and we really appreciate your learning
19 a whole new world of jargon to go with it. I'm sure
20 we'll learn from you, too. So again, we appreciate
21 your effort to come up that learning curve quickly,
22 which you're doing a great job on.

23 Just to finish my list, we had imports,
24 exports, specific and general licenses, were four
25 topics specifically mentioned, and, you know, the

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1 guidance that Tom mentioned or the pre-licensing
2 guidance, we had to evaluate because of the "good
3 faith" presumption, we've got that there.

4 Pre-licensing guidance, licensing
5 procedures, the licensing process, possession limits
6 on licenses, and license reviewer training and
7 oversight. Those are specifically called out.

8 So I'm sure they were in there for a
9 reason, and I want to make sure that we get the
10 information to touch on those areas where we're
11 specifically asked to take a look.

12 I guess we need to just, for a second,
13 think about what's our work product going to look like
14 out of all of this. There'll be transcripts and
15 briefing materials and slide sets, that will be a body
16 of information for the record. So I don't think we
17 need to try and regurgitate it all into one report.

18 And I see probably a crisp report, using
19 that record and information to create some summaries
20 of recommendations and then a little bit of
21 description of how we might have arrived at those.

22 I'm thinking of a fairly crisp report. I
23 would hate to say a number of pages at this point but
24 shorter rather than longer.

25 MS. SCHLUETER: With an executive summary.

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1 MEMBER RYAN: With an executive summary,
2 you know, to say here are the key recommendations and
3 here are areas perhaps needing further study, sort of
4 longer-ranging recommendations. And I guess I'm just
5 trying to get a nod, that your sense of that work
6 product is--

7 MR. PANGBURN: I think we're in alignment
8 on that.

9 MEMBER RYAN: Okay. Great. Great. That
10 sure helps us because then we've got a road map that
11 we can work through.

12 MR. PANGBURN: I think a lot of the value
13 of this process will be, in addition to the report,
14 will be your discussion with the Commission. You
15 know, they're clearly going to want to, you know, hear
16 your insights, ask you questions, and I think that
17 will be as insightful and useful as will the report
18 itself.

19 Of course the report, you know, is
20 beneficial to the people who aren't present at those
21 discussions, but nonetheless, I think informing those
22 individuals of what you see and how you see it, how
23 you came to those conclusions, I think will a
24 particularly useful exercise.

25 MEMBER RYAN: Sure, and I think again,

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1 having Tom here as a former director of an Agreement
2 State program is really an important dimension because
3 the number of licensees, as you all know in the room,
4 in Agreement States, is much larger than those that
5 are directly regulated by the NRC.

6 So that kind of relationship between the
7 NRC program and the Agreement States and how that gets
8 done, you know, there are some things to make sure
9 that, you know, what we recommend is coherent with the
10 existing systems, and how all that works.

11 CHAIR HILL: The issue of resources, and
12 the implementation of all this, is something I'm
13 acutely aware of from the Agreement State perspective,
14 and the changes that come about, the issue of safety,
15 which is what we have looked at for years and years
16 and years and years, the Agreement States, NRC--it's
17 been safety, and then we're looking at security.

18 So how do the resources for security
19 impact the resources for safety?

20 MEMBER RYAN: That's kind of tied up in
21 your presumption of "good faith" discussion.

22 CHAIR HILL: It is all tied up into that;
23 yes.

24 MEMBER RYAN: Okay. What do you think,
25 Aaron? Are we on track?

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1 MR. McCRAW: Sure. If there are no
2 further introductory comments, then we can let Mr.
3 John Szabo present.

4 MR. SZABO: Good afternoon. For folks who
5 don't know me, I'm John Szabo of the General Counsel's
6 Office, and I appreciate the opportunity to come and
7 talk briefly about some of these things. Mike has
8 heard me many, many times, too often--

9 MEMBER RYAN: Annual retraining coming up.
10 Yes, indeed.

11 MR. SZABO: Yes. And I'm sort of guilty
12 for providing advice about the fact that, from
13 everything I've been told, this had to be constituted
14 as an Advisory Committee under the Federal Advisory
15 Committee Act. And the fact that the staff didn't
16 take it as a shock. Everyone has an idea that under
17 FACA, it's pure terror and horror; but it's not as bad
18 as it sounds. But I also serve as the ethics advisor
19 for the NRC. So I am serving in those two capacities
20 today.

21 Because you are serving on this Advisory
22 Committee, I know you're appointed as--and of course
23 you are--as a special government employee. And you're
24 employed by? I'm sorry.

25 MEMBER NERUD: I'm employed by DOD. I'm

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1 a government employee.

2 MR. SZABO: Okay. You're government.
3 Okay. So the two of you--and you've seen this before
4 but it's been updated--just the major rules for
5 special government employees. That's a term of art.
6 It really means that you are paid just for the days
7 you serve the government. You can't serve more than
8 130 days in a year's period. If you go over that, you
9 need permission from the Director of Human Resources,
10 for whatever the reason is. But it also doesn't
11 require you to follow all of the same ethics rules
12 that apply to those of us who are permanent employees.

13 So, in particular, we have a regulation in
14 the NRC, that if you wanted to do some work for an NRC
15 licensee or contractor, if you're a regular employee
16 you need written approval from a high-level official
17 of the NRC. That does not apply to those of you who
18 are special employees, for example, who have outside
19 jobs.

20 But the key confidentiality law that
21 applies to everybody is don't provide advice to the
22 NRC on any specific matter that directly impacts your
23 private employer. That's private employer of course.
24 If you're a federal employee, there's legally no
25 conflict of interest with respect to the NRC, although

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1 we have other federal employee who participate in NRC
2 matters, like Department of Energy employees. We do
3 ask that if you had specifically worked on something,
4 you don't review it for the sake of the NRC. But
5 that's about the major one that would apply to you as
6 a DOD employee.

7 You did comply with our request to file a
8 financial disclosure report. I thank you for that.
9 That's one of the requirements of being a special
10 government employee.

11 Also, in your outside capacity, you
12 shouldn't use your position as a member of this
13 committee to benefit somebody else, or to use it in
14 such a way that would give implication that the NRC
15 endorses what you're saying.

16 And you can identify yourself as a member
17 of this committee, and that you're serving the NRC,
18 but if you're asked about something that the committee
19 does, if it's already been publicly done, there's no
20 problem with that. But if you wanted to give your own
21 opinion about something, you'd have to make it really
22 clear that you're doing it in your personal capacity.
23 So that's a key.

24 We talked about--one of the first,
25 important things is about something called non-public

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1 information, which is like classified information,
2 anything that is in a draft form that hasn't been
3 released, most of it is pretty much stamped, that you
4 shouldn't. Please be careful not to disseminate that
5 outside the NRC, in any way, without permission.

6 It's also very important, that because
7 FACA committee meetings are open, that you don't
8 inadvertently start talking about some classified
9 document, because once you start talking about a
10 classified document in some detail, that document is
11 no longer classified. It's publicly available,
12 because all documents discussed in a FACA open meeting
13 are presumably available to the public.

14 We had to constitute this committee under
15 FACA because we're putting on the committee non-
16 permanent federal employees, to provide advice on
17 matters that affect the Agency. For that purpose we
18 had to constitute this and get a charter, and that
19 requires that we have somebody who serves as your
20 federal official, who's also responsible to make sure
21 this meeting is noticed. All these notices are
22 supposed to be available, and there should be
23 accommodations for the public, as best as possible of
24 course, and notes have to be kept of these meetings,
25 and all these deliberations are to be available to the

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1 public.

2 If you want to close a meeting, there's
3 only very limited reasons that you can close it.
4 Certainly classified information, you know, national
5 security information, law enforcement information,
6 personnel matters, and proprietary information. Those
7 are sort of the major ways you can close a FACA
8 meeting, and you can ask us, if you need some, if
9 you're interested in closing, and you're not sure,
10 we'd be happy to talk to you about that.

11 But just because you're uncomfortable
12 speaking about something or it might cause an
13 embarrassment to somebody, is not sufficient to
14 qualify that to close the meeting.

15 You've got to keep in mind, anything you
16 do say is going to be available to the public.

17 And we, of course, in our office, provide
18 advice on any of these ethics rules, and please feel
19 free to call us if there is anything. But that's
20 about all I really wanted to cover at this time. So
21 if you'd take a look at that paper that I passed out
22 with respect to special government employees. If
23 you'd like something, I can apply that to you too, on
24 federal ethics rules, but I think you're familiar with
25 that.

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1 MEMBER NERUD: Yes. I think the same
2 ethics standards would apply.

3 MR. SZABO: That's right. We are all
4 covered by the same standards of conduct and the same
5 political laws. We don't have anything that's--I'll
6 give you a copy. This just talks about special
7 employees.

8 MEMBER NERUD: It tells me what I can tell
9 them.

10 MR. SZABO: That's right. But the
11 standards of conduct cover the entire Executive
12 Branch, as well as the other regulations.

13 MEMBER NERUD: I had a couple of
14 questions.

15 MR. SZABO: Yes; sure.

16 MEMBER NERUD: So no part of this Advisory
17 Committee is going to be classified "sensitive
18 information," I don't know what other designations,
19 "official use only"? It's all releasable to the
20 public?

21 MR. SZABO: It depends on what kind of
22 information. Just because it's in a draft form
23 doesn't mean that it qualifies to be--you know, we're
24 talking about--I just said, if it's national security,
25 or safeguards information, certain things like that,

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1 and proprietary information. That's another thing.

2 MEMBER RYAN: We may touch on safeguards
3 and security issues, so I think we'll take guidance
4 from our senior staff to help us with that.

5 MS. SCHLUETER: Yes; right. So there
6 could be portions of certain meetings, or meetings, in
7 their entirety, will be closed.

8 MR. SZABO: Yes. I just say stay in touch
9 with the staff, if there's something that you want to
10 bring up, that you're concerned about.

11 MS. SCHLUETER: Right.

12 MEMBER NERUD: Now do we have the
13 opportunity--I've never done this before so I've got
14 to ask the stupid questions. Is there an opportunity
15 within a public meeting like this to be able to say,
16 okay, look, we need to discuss something and we need
17 to make this portion closed, during that meeting, or
18 do we have to schedule a new meeting?

19 MR. SZABO: Okay. It is possible, and if
20 we know in advance, we could close it. But you should
21 not bring this up at the last minute.

22 MEMBER NERUD: Okay.

23 MR. SZABO: Because presumably there's an
24 agenda that's published.

25 MEMBER NERUD: All right. So we have to

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1 follow the agenda. Once that meeting is done, could
2 we immediately go into a closed session to discuss
3 some of the things that--

4 MR. SZABO: Yes. Normally, they say this
5 part will be closed and --

6 MEMBER NERUD: Okay.

7 MS. SCHLUETER: But that's assuming that
8 there's been a determination made in advance of the
9 meeting, that there will be a need for a closed
10 portion.

11 MR. SZABO: Yes; in advance.

12 MS. SCHLUETER: I think what Ben might be
13 getting at is say your discussions lead you into an
14 area in which you think it would be fruitful to
15 continue into the classified environment. Can we make
16 a decision during that meeting to, at the end, close
17 that portion? Or do we need to schedule a separate
18 meeting?

19 MR. SZABO: You could make that -- the
20 only reason you should do that is if this is something
21 that came up at the last minute.

22 MS. SCHLUETER: Right.

23 MEMBER RYAN: I think if we -- my own
24 view, John, would be that if we find that we have a
25 classified matter, or a matter that needs to be

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1 closed, my own thought would be fairly
2 straightforward, to just schedule that for the
3 followup meeting. That way, the public has notice
4 that there's going to be a classified portion, we're
5 not intruding on their schedule, we wouldn't want to
6 insert it, for example, in the middle of a day, and
7 have a previously set schedule.

8 You know, now instead of going 1:00 to
9 2:00 and 2:00 to 3:00, we're now going to have this
10 break in the middle of the day and push that last talk
11 up to 4:00 o'clock. Somebody could miss it. So,
12 really, for public access, the more we can preschedule
13 and notice, the better off we are.

14 MS. SCHLUETER: There will be a built-in
15 delay to that option.

16 MEMBER RYAN: Right.

17 MS. SCHLUETER: Okay.

18 MEMBER RYAN: No. I understand.

19 MR. SZABO: I know the ACRS and ACNW, they
20 would only do something like that if it just came up
21 at the last minute and no one anticipated this
22 situation.

23 MS. SCHLUETER: So it's possible.

24 MEMBER RYAN: Now the other option is of
25 course to have a closed session announced for every

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1 meeting that we have, and we can reserve that time for
2 specific closed matters, should they arise.

3 MS. SCHLUETER: Right.

4 MEMBER RYAN: That's a possibility.

5 MEMBER NERUD: I was thinking, at the end
6 of the meeting, just schedule a half hour, 45 minutes.

7 MEMBER RYAN: We could certainly do that,
8 because if we wanted to discuss things that led us
9 into security or safeguards issues, then we could have
10 that as a short deliberation period for just those
11 matters.

12 MR. SZABO: That's right; yes. You'd make
13 it clear in the [Federal] Register that that would be
14 for these purposes, you see.

15 MEMBER RYAN: Right. That might be a
16 prudent way to go. That way we've got a slot, and we
17 can always announce well, we have nothing in that
18 category today, so that will be a break period or some
19 other activity.

20 MR. SZABO: And also personnel matters I
21 mentioned. That's sort of a broad category. If you
22 need to talk about it, something specific to your
23 position at the DOE, for example, or DOD, I should
24 say, or -- you might -- you know, you need to talk
25 about that, find out whether this is something that's

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1 prudent for you to -- you can close it for that
2 reason.

3 MEMBER NERUD: All right.

4 MR. SZABO: But it's not as, in fact,
5 isn't really as bad -- it takes planning. You have to
6 think about what the meetings are going -- you know,
7 what'll be discussed at the meetings, so you can
8 publish that in the [Federal Register] notice. That's
9 probably the biggest problem with FACA.

10 MEMBER RYAN: A key asset, John, is you,
11 because I'm very familiar, that if you call John, you
12 get a call right back, and you get a clear answer,
13 which is also helpful, so I appreciate your support.

14 MR. SZABO: I try. We try.

15 MEMBER RYAN: Thank you.

16 MR. SZABO: Our purpose is to try to help
17 this committee move its agenda, and complete its work,
18 not to stop it. That's it.

19 MEMBER RYAN: Thank you, John. I
20 appreciate your coming down. I don't suppose this
21 could be my annual retraining, could it?

22 [Laughter]

23 MR. McCRAW: Okay. If there's no
24 additional business on ethics or the requirements of
25 the Federal Advisory Committee Act, we can move on to

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1 our next agenda item, which is the background for the
2 establishment of the panel, and I apologize for not
3 announcing this earlier, but for all the documents we
4 will be discussing, there are copies available over
5 here on this back table.

6 As well, there's a sheet that contains all
7 the ADAMS accession numbers, if you need to get into
8 the NRC's system or --

9 MEMBER RYAN: If you folks want to, just
10 please go help yourselves now, just take a minute and
11 gather up what you want.

12 MR. McCRAW: As George has identified
13 earlier, this review panel is really born out of the
14 NRC's GAO action plan, or our response to the GAO
15 "sting." However, to get to the recommendation that
16 really formed this group, we have to go back to a
17 March 30, 2007, report of the NRC's Office of the
18 Inspector General.

19 The report number is OIG 07-A-12, and it
20 was their summary report on perspectives of byproduct
21 material security and controls.

22 They were basically doing an audit of what
23 the NRC has done in a post 9/11/01 environment, and
24 not to go into the details of the report, but really,
25 to get to the bottom line, they recognize that the NRC

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1 has taken a lot of steps to address security of
2 radioactive materials. However, they determined,
3 through their own works, and reading some of the
4 reports of the GAO, that the NRC's efforts were
5 incomplete, especially in regard to taking a
6 comprehensive look inward at its own business and
7 regulatory processes.

8 They ultimately came up with the
9 recommendation that the NRC should convene an
10 independent panel of experts external to the Agency to
11 identify Agency vulnerabilities concerning NRC's
12 materials licensing and tracking programs and to
13 validate the Agency's ongoing byproduct material
14 security efforts.

15 Part of this assessment that they were
16 calling for was to include an examination of the
17 management, operational, and technical security
18 controls, and the extent to which the controls are
19 implemented correctly, operating as intended, and
20 producing the desired outcome with respect to
21 mitigating security vulnerabilities.

22 Following that report, the NRC received
23 word of the GAO's "sting" operation. GAO had
24 previously made recommendations to the NRC in 2003,
25 and one of those recommendations was that the NRC

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1 developed a process for -- essentially, it's what the
2 NRC turned into the pre-licensing guidance. This is
3 like a checklist as you go through for a new
4 application to determine if there needs to be
5 additional followup on certain information provided by
6 the licensee, whether a face-to-face visit is
7 necessary.

8 So, to test that, GAO created this bogus
9 company, submitted the information to the NRC, and was
10 able to obtain a license. Concurrently, they
11 submitted an application to the State of Maryland, an
12 Agreement State, as well and that effort was thwarted
13 when the State of Maryland requested a face-to-face
14 meeting with the "licensee."

15 Going back to the NRC license, that
16 company was able to -- or the fictitious company, GAO,
17 was able to "doctor" the license that they received
18 from the NRC, and make it look as though it was
19 authorized for a greater amount than was initially
20 authorized.

21 They subsequently went on to ask several
22 vendors, they sent in a letter of intent to purchase
23 with a copy of the "doctored license," and stated
24 their intent to purchase the radioactive material,
25 purchase it in quantities leading up to Category 3

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1 sources.

2 So between those reports and resulting
3 recommendations, the NRC developed its GAO action
4 plan, and as a result, there are several actions that
5 are essentially being charged to this group.

6 One was the formation of this group in
7 response to OIG's recommendation to do the external
8 assessment of the NRC's licensing process.

9 And then one of the other recommendations,
10 as touched upon earlier, was to look at the NRC's
11 apparent "good faith" presumption.

12

13 MEMBER RYAN: So there we are.

14 MR. McCRAW: That's how we're here today.

15 MEMBER RYAN: Okay.

16 MR. McCRAW: If we wish to go into any
17 more detail --

18 MEMBER RYAN: I think it might be helpful,
19 just if you would, detail a little bit of the sequence
20 of events, the radionuclides, and the amounts that
21 were asked for from the NRC. I think for Ben's
22 benefit, that would be helpful to hear the quantities.
23 Category 3 may not do it for everybody. So if you
24 could give us some detail there, give some assistance
25 on that, that'd be great.

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1 MR. McCRAW: John, can I ask for some help
2 on this one?

3 MR. HICKEY: I'm John Hickey, also from
4 the NRC staff. First of all, we should clarify that
5 no sources or money actually changed hands. This was
6 just a hypothetical order that was placed.

7 The devices involved are called portable
8 gauges, and these devices are used in construction to
9 measure moisture content and density of soils on
10 construction sites and roads. There are hundreds or
11 thousands of them in use across the country.

12 The individual devices have a relatively
13 small amount of radioactive material - about 10
14 millicuries of cesium and 40 millicuries of americium.
15 Cesium-137 and americium-241, both sources in a single
16 device.

17 The bogus company was proposing to order
18 several of these, ten or twenty of them. While all
19 hazards are relative and an individual device is
20 considered relatively low hazard, it's still licensed.
21 Of course the more devices you get, the higher the
22 quantity. GAO's point was that they were able to get
23 a bogus license and alter the license using commercial
24 computer software. So not only were they an
25 unauthorized company, but they were also presenting

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1 that they were authorized to possess more material
2 than even the [unaltered] license itself would
3 authorize. So there was really a potential double
4 fraud involved here.

5 MEMBER RYAN: Did the vendor accept the
6 order?

7 MR. HICKEY: Our understanding is a couple
8 of vendors accepted the order. But there was never a
9 final action taking place, in terms of money changing
10 hands or resources changing hands. So the vendor
11 agreed, in principle, to provide the sources, provided
12 they were paid, I guess is the way I would put it in
13 layman's terms.

14 MEMBER RYAN: Okay. But I mean the sale
15 had no bearing at that point. Okay.

16 MS. SCHLUETER: Well, with two of the
17 companies. Do we want to go into --

18 MR. HICKEY: Well, we were also told by a
19 third vendor, that they declined to fill the order
20 because they had some discomfort and lack of knowledge
21 of the party attempting to purchase it, and
22 particularly since multiple devices were involved.

23 MEMBER RYAN: Did they alert a regulator
24 to that?

25 MR. HICKEY: As far as we know, they did

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1 not until after this became public. That's a good
2 question, though.

3 MEMBER RYAN: Yes. It is a good question.

4 CHAIR HILL: I had not heard that part,
5 but I understood that there was two that had agreed to
6 sell.

7 MEMBER RYAN: Maybe we can discuss this a
8 bit. The thing that kind a strikes me about this
9 story, that was announced in reading the GAO report,
10 is a couple of interesting features about it, and I'm
11 not trying to suggest I have a firm view in any
12 direction on this, but the question comes up, do you
13 put your eye on the applicant? Does somebody from the
14 regulatory agency visit the licensee's facility where
15 they're going to have the material, and talk to the
16 people that are involved? And there are more details
17 you can think about based on the source. Do they have
18 a radiation protection program or personnel, and does
19 it appear to be a legitimate, you know, well-equipped
20 and well-staffed organization to handle whatever the
21 appropriate level of program might be for the
22 materials they're licensed for? Or do you work at a
23 distance?

24 Tom, I'd be curious how the Agreement
25 States, in your experience, do that.

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1 MR. HICKEY: Well, most of the time, when
2 an application comes in, there may be some familiarity
3 with the principals of that application already. They
4 may have worked for XYZ company and now some of them
5 pulled out and they're going to start ABC company.

6 MEMBER RYAN: Right.

7 MR. HICKEY: So you already have some
8 knowledge of those individuals.

9 But occasionally, an application will come
10 in that you have no knowledge of them at all, and
11 face-to-face meeting, eyeball-to-eyeball, is not
12 always done before that license is issued.

13 CHAIR HILL: One of the issues that comes
14 out of this, and I'll go back to make a point, and
15 maybe I'm getting a little ahead, but one Agreement
16 State person said that their Attorney General told
17 him, you're in the business of issuing licenses.

18 Most all of the laws of the Radiation
19 Control Acts, like we had in Georgia, and I'm sure
20 with most of the Agreement States, it says when this
21 set of minimum criteria is met, you issue a license.
22 So you have to have a good reason not to at that
23 point. But I think with Agreement States, we have a
24 smaller territory to cover than the NRC does with
25 multiple States.

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1 So being in contact with your licensees is
2 a little easier, and if you're like we were in
3 Georgia, in the metropolitan Atlanta area, that was
4 the greatest number of your licensees.

5 You could get in the car and be there in
6 an hour, for most of them, a large percentage. You
7 didn't have to schedule a overnight trip or this sort
8 of thing.

9 Now some of the Agreement States, you
10 know, Texas, for one, has regional offices. They --

11 MEMBER RYAN: California, for another.

12 CHAIR HILL: California, for another.

13 Florida. You know, they've got that same difficulty
14 of meeting eyeball-to-eyeball [with their applicants]
15 and --

16 MEMBER RYAN: And again, just as we're
17 having open thoughts here, it might be something -- we
18 might want to also invite a couple of the larger and
19 maybe a couple of the smaller Agreement States to come
20 in and give their thoughts as well, to get a
21 perspective from a large State versus a small State.

22 MR. PANGBURN: That would be good. I
23 mean, as Tom was saying, from the perspective of the
24 NRC Regional Offices - the Arlington, Texas office may
25 have a licensee come in from Wyoming, and the stretch

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1 of the Region I office goes from Vermont to Puerto
2 Rico.

3 So prior to the pre-licensing guidance
4 going into place, about a year ago, we had not had a
5 practice of going out and doing pre-licensing visits.
6 In large measure -- well, I shouldn't say in large
7 measure -- a substantial number of people who apply to
8 us are people we've known, as [John Hickey] mentioned.
9 You know, the application may have been prepared by
10 someone that we knew, or the principals on it, or the
11 companies themselves may have done business, or they
12 may simply be getting another license for a new
13 activity.

14 So there are a substantial number of
15 people that we do know. But, you know, you do get
16 ones that are "cold," and this was a case.

17 CHAIR HILL: I think that's an important
18 point there, and a lot of the applications that come
19 in have been prepared by a consultant, someone that
20 the regulator is familiar with, and they know them,
21 and you can tell by the application when it comes in,
22 a lot of times, whether it's been prepared by someone.

23 MEMBER NERUD: Did GAO use a consultant,
24 or did they --

25 MS. SCHLUETER: Not that we're aware of;

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1 no. Let me offer just a little bit more on the whole
2 pre-licensing issue and add to what George just said.

3 We probably followed a similar pattern
4 that, Tom, you described, when an applicant met a
5 certain set of criteria, minimum criteria. The staff
6 then proceeded to issue the license. Primarily,
7 that's done out of our Regional Offices. Headquarters
8 does very little licensing.

9 But then, in 2006, we did go about working
10 with our Agreement State partners to put into place
11 this pre-licensing guidance, which was issued in
12 December 2006. That did set the threshold for pre-
13 licensing visits for any applicant requesting a
14 Category 1 or 2 source. We made it mandatory at that
15 point, through the NRC Regions, that the NRC would
16 conduct a pre-licensing visit for any applicant
17 requesting authority to possess a Category 1 or 2
18 source.

19 So that's been in the mix here for just 10
20 or 11 months. Now did 100 percent of the Agreement
21 States adopt this guidance? No, they did not. A
22 large majority did. Some had comparable procedures in
23 place, or similar, as they may have made some
24 modifications to their program.

25 But this is the same guidance that now,

1 post-GAO investigation, we have revamped again. So
2 while it had only "been on the streets" for six months
3 or so [by the Agreement States], we put out some
4 interim guidance to our Regions that said you need to
5 go and conduct pre-licensing visits for every
6 applicant that's coming in the door. And once we
7 formed our thoughts on how we were going to respond to
8 the GAO "sting," we reconvened the Pre-licensing
9 Guidance Working Group and Steering Committee.

10 They have just now come out with another
11 version of this guidance, which is currently out for
12 a 20-day comment period with the Agreement States.

13 You need visibility of that.

14 MEMBER RYAN: Sure, and I think just to
15 put on the calendar, Aaron, it would be real helpful
16 for the committee, for our committee, to get a
17 briefing on the current version of the pre-licensing
18 guidance.

19 MS. SCHLUETER: I think that would be
20 extremely valuable.

21 MEMBER RYAN: And maybe highlight how it's
22 evolved over time.

23 MS. SCHLUETER: In particular, Pam
24 Henderson, the NRC co-chair of that group, is now the
25 co-chair of the Materials Program Working Group, your

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1 sister unit... sort of... and she is from Region I and
2 quite familiar with the materials licensing and
3 inspection programs.

4 MEMBER RYAN: Tom, do you think -- I mean,
5 if we get a couple of Agreement State program
6 directors or other folks in the licensing area in
7 Agreement States to come in, do we need to hear
8 directly from [Conference of Radiation Control Program
9 Directors, Inc.] CRCPD or [Organization of Agreement
10 States] OAS, or is it really better to hear directly
11 from the States?

12 CHAIR HILL: I personally think it would
13 be better to hear directly from the States.

14 MEMBER RYAN: Okay.

15 CHAIR HILL: Because OAS and CRCPD are not
16 out there doing licensing.

17 MEMBER RYAN: Right.

18 CHAIR HILL: The States are. And so I
19 think it would be better to come from the States.

20 MEMBER RYAN: Okay.

21 MR. PANGBURN: I'll offer a thought here
22 for your consideration, and I think it might be
23 useful. Janet mentioned Pam Henderson. It may be
24 useful to have Pam here, not only to talk about the
25 pre-licensing guidance, but maybe before you get to

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1 that point, to talk about our licensing process, in
2 particular.

3 MS. SCHLUETER: Right.

4 MEMBER RYAN: Yes. Absolutely, and I
5 think our list of briefings --

6 MS. SCHLUETER: Yes; it's growing.

7 MEMBER RYAN: -- we sort of have, you
8 know, a -- well, we've got them written down here
9 somewhere. I've got to find the right paper.

10 CHAIR HILL: Well, it comes out of the
11 charges, basically, to review the pre-licensing and
12 licensing procedures and process.

13 MS. SCHLUETER: Yes.

14 MEMBER RYAN: I could see a briefing on
15 probably all of those topics. There might be more
16 than one person, clearly. So thank you, George.
17 That's a good idea. Okay. We interrupted somebody.
18 Are we good?

19 MS. SCHLUETER: We're good.

20 MEMBER NERUD: I have some questions on
21 this GAO activity. They said they were going to buy
22 10 or 20 of these portable gauges. Is that common, to
23 purchase a quantity that large?

24 MS. SCHLUETER: I don't believe so.

25 MR. PANGBURN: From a new applicant, it

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1 would not be common.

2 MEMBER NERUD: It would not be common?

3 MR. PANGBURN: Yes.

4 MEMBER NERUD: Okay.

5 MS. SCHLUETER: I think that's one reason
6 why the third vendor got suspicious. They didn't know
7 the applicant. They didn't know who was requesting
8 the material. The amount was unusual, and they did
9 not perceive once they, internal to their company,
10 went about contacting their own regional sales people
11 and said, who is this? we're not familiar with this,
12 why is this person asking for this many? and they did
13 not proceed with any further interactions.

14 MR. PANGBURN: The people who use these
15 kinds of gauges can be anything from a very small
16 operation, where they have one or two people and one
17 or two gauges, or it can be part of a sideline. They
18 could be geotechnical consultants. And this is
19 something they do as a service to their customers, in
20 addition to doing a variety of other services.

21 They can also be fairly large operations
22 that may have this many or more gauges. But
23 typically, they don't start off that way, with that
24 many gauges, rather, the business grows over time as
25 their client base grows.

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1 MEMBER NERUD: Forgive me, because I saw
2 a picture of what I think this is on the Internet.
3 How much does one of these machines cost
4 approximately?

5 MR. PANGBURN: I think at the time of the
6 hearing, we were asked that question and it came up in
7 the range around seven thousand dollars.

8 MS. SCHLUETER: Six or seven thousand
9 apiece.

10 MEMBER NERUD: Okay. And I just learned
11 what a Curie was. I'm 45 years old. I don't think my
12 life is any better for it. But the amounts that are
13 in each machine are relatively small and these come --
14 and again, I got a briefing on it I downloaded from
15 the Internet that talked about the sealing of it, and
16 these are, I think, double encapsulated in stainless
17 steel. How hard is it to get that material out of
18 these machines? I mean, are you --

19 MS. SCHLUETER: To physically extract the
20 source?

21 MEMBER NERUD: To physically get the
22 source out of the machine.

23 MS. SCHLUETER: I'm going to ask Duncan
24 White, who's one of my branch chiefs, to give us some
25 insights here. We need to -- maybe we could find any

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1 information that we have readily available too, either
2 on our Web site, or what have you, for Ben on these
3 sources. It might be helpful.

4 MEMBER NERUD: And I'll just mention this
5 quite briefly. I looked at the GAO report, I read it,
6 and some of the subsequent stuff that came with it,
7 and, yes, the licensing thing is something they
8 identified. But acting as a terrorist organization,
9 and what they did here, they may have gotten enough
10 material to create an RDD [Radiological Dispersion
11 Device] -- but weaponeering this and actually being
12 able to create the device to accomplish something from
13 this, well, that whole part of it was left out.

14 And it's one thing to turn around and say
15 I can get the material and build an RDD, than it is to
16 actually be able to accomplish that entire process,
17 and --

18 MEMBER RYAN: And that's a good track to
19 be on. I'll tell you why. When we think about risk,
20 particularly in this Agency, there's three things you
21 think about. What can go wrong? A bad guy can get a
22 source and weaponeer. How likely is it? And then
23 what are the consequences? Those are the questions
24 you're asking. The only way you can assess the risk
25 of a device, or a bunch of material, or release from

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1 a facility that's an authorized release, is to think
2 about it in those terms.

3 Reactors, for example, are designed with,
4 you know, just all kinds of smart people thinking
5 about the risk triplet, as it's called, and I think
6 when you think about sources, that's maybe an area
7 where there hasn't been as much of that formal
8 thinking as in the reactor area.

9 But, you know, my idea is always to think
10 about it in that way. What can go wrong, how likely
11 it is it, and then what are the consequences.

12 Now what can go wrong can be ten different
13 kinds of sequences. This can happen and it can be A,
14 B, or C, and then based on its being A, it can be
15 three other things, and you can have trees of events,
16 you know, and you can analyze different outcomes,
17 different what can go wrongs, based on what structure
18 you want to give to a scenario.

19 I think it's the goal, or at least I
20 perceive it to be the goal, of any radioactive
21 materials program, whether it's an Agreement State or
22 the NRC, is to try to categorize sources. Sealed
23 sources that are going to be very large, like
24 sterilizers that are used to sterilize food or medical
25 products, have tens of thousands, if not hundreds of

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1 thousands, of Curies of cobalt. I guarantee you'll
2 get a [pre-licensing] visit on that, and there's a lot
3 of specific licensing requirements on the licensee for
4 even safeguards and security and, you know, police and
5 fire protection and alarm systems, and you name it.

6 MEMBER NERUD: Plus the actual device
7 itself is expensive.

8 MEMBER RYAN: Yes; expensive. And there's
9 a lot of barriers to bad things going wrong with a
10 large set of sources like that. But as you come down
11 into these gauges, and instruments and items, that the
12 amount of material in them is such that you could
13 almost view the amount to be self-limiting for any
14 damaging agents -- or the physical or chemical form,
15 or the barriers between a source and getting the
16 sources apart.

17 You know, tritium exit signs are good
18 examples. They're generally licensed devices. If you
19 own it, you have a license. If you buy a smoke
20 detector, somewhere in that box, it tells you that you
21 now have a generally licensed device. And the amount
22 of material, in its physical form and such, is
23 limiting to what can go wrong where there would be a
24 high probability of a significant consequence. So you
25 have to always keep those three questions in mind.

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1 Am I doing a fair job of summing up the
2 thinking?

3 MS. SCHLUETER: Yes, fair, and also under
4 the regulatory framework and scheme that has existed
5 for decades, we have safety requirements, under Part
6 20, for securing your licensed material, and it goes
7 on and on, and that's what we have established in
8 place for eons.

9 But with regard to working with DOE, other
10 federal partners, and the international community, we
11 have applied the Code of Conduct, which does
12 categorize many sources, and it isn't until you get to
13 that Category 1 and 2 level, the highest risk sources,
14 that we, as an Agency, have gone beyond what is in
15 Part 20 and standard requirements that have been in
16 place for safety and added these additional security
17 measures.

18 Some of course we're doing under the NRC
19 and the Agreement State regulatory framework and then
20 some we have reserved to the NRC for national security
21 and defense purposes.

22 So we have applied a graded approach based
23 on risk, along the lines of what Mike just laid out,
24 as to how much we want to protect these sources.
25 These gauges did not hit that threshold.

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1 MEMBER NERUD: And that kind of led to my
2 thinking. I mean, as I'm finding out, there's
3 radiation all over the place.

4 MS. SCHLUETER: Right.

5 MEMBER NERUD: Okay. So you've got a
6 \$6,000 machine here, they wanted to buy ten to twenty
7 of them, that's 60- to \$120,000 just to buy the
8 radiation source. That's a lot of money for a
9 terrorist organization. The Bali bombings cost less
10 than \$30,000. The Millennium plot was less than
11 \$15,000. World Trade Center and Pentagon: \$300,000.
12 This is half that, to build one device, with what kind
13 of effect?

14 And the aspect that I'm looking at it is,
15 okay, there's a threshold of where you actually need
16 to go out and do those visits and actually have that
17 concern, and you've identified it in the categories of
18 them. You know, maybe it's not a licensing problem,
19 maybe it's a retail problem, in the fact that, hey,
20 guys, you're not supposed to be selling 10 to 20 of
21 these things at one time.

22 MEMBER RYAN: Not without eyeballing
23 somebody.

24 MEMBER NERUD: Not without eyeballing
25 someone.

1 MEMBER RYAN: Sure.

2 MEMBER NERUD: And, you know, I can buy
3 one pistol a month. That's it. All right. And that
4 seems to work in most places. Well, you know, if
5 we're talking about limiting quantities here and
6 limiting the amount of material, well, the licensing
7 process is one end, and, you know, you could put all
8 kinds of restrictions that you want on that, and
9 somebody with enough time, energy, and money is going
10 to find a way around it.

11 Maybe there also needs to be a limit to
12 how much you can purchase of these sub-Category 2,
13 right?

14 MEMBER RYAN: One or twos. Yes.

15 MEMBER NERUD: One or twos. I get the
16 categories turned around.

17 MS. SCHLUETER: That's all right. You're
18 doing well.

19 MEMBER NERUD: Of these sub-Category 2
20 devices. Maybe there needs to be a limit to how many
21 can actually be purchased at one time.

22 MEMBER RYAN: You know, you touched on an
23 area that I want to just comment on, and that is that
24 you talked about what's in the mind of somebody who
25 wants to do bad things with these sources.

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1 I don't think the GAO report really gave
2 us a flavor for any of that.

3 MEMBER NERUD: The GAO report didn't.
4 I'll tell you that right now.

5 MEMBER RYAN: And again, I don't mean that
6 we should offer any excuse for issuing a license to
7 somebody that shouldn't get one. That's not my point
8 at all, but I think it would be part of a good risk-
9 informed view to look at the guidance with, you know,
10 what is attractive and what is not attractive to
11 terrorists, and just somehow learn a little bit more
12 about that.

13 I think it would sure help me. You're the
14 expert in that area. I don't know that too many in
15 the NRC have a big, wide background in those kind of
16 questions, but that might be helpful, to at least
17 think about, could the licensing guidance be better or
18 what to look for in an applicant that might turn a
19 light on or something --

20 MEMBER NERUD: One of the things -- and
21 I'm sorry for interrupting here --

22 MEMBER RYAN: That's fine.

23 MEMBER NERUD: But one of the things that
24 I did, and it kind of helped me along with matching
25 the licensing process up, is that I took an attack

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1 cycle that a terrorist would use and all the critical
2 requirements that fall underneath it, and then broke
3 that down, specifically just for an RDD.

4 And, you know, what it does is it helps
5 you identify what are critical requirements, key
6 milestones, and benchmarks, that a terrorist has to
7 meet in order to actually engage this type of weapon
8 in there, and nobody understands it, including me.

9 But what it does do is identify these are
10 the key things, key requirements that they need, and
11 if you influence those -- it identifies the key points
12 that they have to be able to exploit to be able to
13 develop a weapon, okay, of this type, and to use it in
14 a terrorist scenario. The GAO didn't cover that, and
15 GAO did one part of this whole thing, which is I can
16 do this. And what we call that is we call it mirror
17 imaging.

18 I can do this, and therefore, this is what
19 they will do. Well, understand, they had access to
20 our business laws, regulations, and principles. Okay.
21 They could create a company. They could do all those
22 things. They knew how to do those things. All right.

23 Well, that's not something a terrorist
24 organization normally has in its repertoire of skills.
25 And then they also knew exactly where to look and how

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1 to look within the licensing requirements. These are
2 the key data points that I need.

3 So can a terrorist organization do it?
4 You bet, a terrorist organization can do it. All
5 right. But that's going to take a significant effort
6 just to accomplish this, with a result that's
7 difficult to determine, the damage that's going to be
8 caused at the end of it. But part of the weaponeering
9 is how easy is it to get this little piece. I don't
10 know, how big are we talking about? As big as your
11 thumb? As big as your fist?

12 MR. WHITE: The actual sources are very,
13 very small. They're probably about like that.

14 MEMBER NERUD: About like that? That's
15 the sealed source, the whole --

16 MR. WHITE: The whole source. The actual
17 radioactive material is even smaller.

18 MEMBER RYAN: Half an inch long?

19 MR. WHITE: If that; yes.

20 MEMBER NERUD: Okay. And then it's
21 double-sealed around that?

22 MR. WHITE: It's double-sealed; yes. The
23 cesium source is --

24 MEMBER RYAN: And it's inside of a
25 capsule?

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1 MR. WHITE: Welded inside a metal rod.

2 MEMBER NERUD: Okay.

3 MR. WHITE: The americium source is
4 integrated into the bottom part of the unit, and that
5 source is even smaller, in physical size, I believe,
6 than the cesium source.

7 MEMBER NERUD: And are these sealed within
8 the unit itself? I mean, do I need to get a
9 screwdriver and take out a couple of screws and --

10 MR. WHITE: Yes, you must practically
11 disassemble the entire gauge to get to it.

12 MEMBER NERUD: Disassemble the entire
13 gauge. And I can do that with ordinary hand tools, or
14 do I need any special tools?

15 MR. WHITE: No, not really. The cesium
16 source is part of a rod, it's extended out and used to
17 take measurements. It's part of the design of the
18 unit. To get to that source, you have to, I guess, go
19 through the welding and stuff, disassemble, actually,
20 and cut it open.

21 MEMBER NERUD: All right. And when I get
22 this source out and I'm holding it in my hand?

23 MR. WHITE: There's no particular --

24 MEMBER NERUD: It's not going to melt the
25 skin off my bones?

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1 MR. WHITE: No. The activity of it is
2 relatively low.

3 MEMBER RYAN: It's not lethal to the guy
4 taking the gauge apart?

5 MS. SCHLUETER: No.

6 MEMBER NERUD: If I take apart 10 to 20 of
7 these gauges, still nothing?

8 MR. WHITE: You will probably get a
9 measurable dose in doing it, but it's nothing lethal.

10 MEMBER NERUD: Okay. And the source
11 itself, is it a powder? Is it a metal? Is it a
12 ceramic?

13 MR. WHITE: There's two different sources.
14 I think one source is -- I think they're both --

15 MEMBER RYAN: Is the americium spotted on
16 gold, or is it --

17 MS. SCHLUETER: I don't know. We might
18 have to get our source device --

19 MEMBER RYAN: If we can put that on our
20 questions list, that would be helpful.

21 MEMBER NERUD: And I'm probably way off on
22 this, and this is probably just a fact-finding thing
23 that I may do later on, rather than occupy everybody's
24 time. Sorry.

25 MS. SCHLUETER: That's all right. We'll

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1 make sure you get what you need.

2 CHAIR HILL: I want to back up to a point
3 that Ben was talking about a minute ago, limiting the
4 sale of numbers. That also can go back to licensing.
5 I know there was a time frame that a license was
6 issued, you may possess X number of devices period.
7 Activity, this activity, no single source to exceed.
8 Then there were some that were more open-ended, so
9 that they didn't have to come back with an amendment
10 request all the time.

11 What's the current status of -- how are
12 licenses right now -- and that kind of gets to this
13 point of possession in some licenses. Are they --

14 MR. WHITE: All licenses now have a
15 quantity limit on that, and the reason it's been done
16 like that for the last 10 or so years is because of
17 financial assurance reasons.

18 CHAIR HILL: Okay.

19 MR. WHITE: You can't get something open-
20 ended because - of technical, although not a practical
21 standpoint, but theoretically -- you could exceed
22 financial assurance requirements. So in order to
23 limit that they put a not-to-exceed number on. You
24 can't usually acquire so many millicuries or curies of
25 material to make sure you don't exceed that.

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1 And certainly the license that was issued
2 to GAO had that on there and that's what they altered.

3 MS. SCHLUETER: But that's NRC's practice.

4 MR. WHITE: States do this, too. All
5 states do this --

6 MS. SCHLUETER: For the most part, they do
7 the same, and I think they got more conscious of that
8 as we issued the Increased Controls requirements, and
9 so did they, back in 2006, because they did some
10 review of existing licenses and went back and modified
11 some of them to put the possession limits on them.

12 MEMBER RYAN: The other thing we'll have
13 to touch on, cause there are different categories of
14 licensees. There are specific licenses, which mean
15 Mike Ryan's authorized to have this source for this
16 activity at this location.

17 Now I can ask for a different source and
18 say, okay, we were authorized for Source B at the same
19 location for Activity B, and I shouldn't be using
20 Source B for Activity A because I'm licensed
21 specifically for activities with sources.

22 A license of broad scope means I'm given
23 broader authority to have an array of radioactive
24 materials in an array of activities.

25 MS. SCHLUETER: Like NIH.

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1 MEMBER RYAN: Yes. NIH has a broad scope
2 license and --

3 MEMBER NERUD: Which is where these
4 portable gauges --

5 MS. SCHLUETER: No; no.

6 MR. WHITE: No; not portable gauges.

7 MEMBER RYAN: No; no. That's a specific
8 license.

9 MEMBER NERUD: Okay.

10 CHAIR HILL: The universities, research
11 institutions, and so forth. Your medical --

12 MR. PANGBURN: A broad scope, Mike, is a
13 sub-group of specific licenses, if that helps a little
14 bit --

15 MEMBER NERUD: But those are generally at
16 a bona fide institution.

17 MR. WHITE: They're only issued to a
18 licensee who's demonstrated they can -- in fact
19 they're given a specific license with very defined
20 limits. They're only given a broad scope license that
21 Mike's describing, after they have proven they can
22 handle the --

23 MEMBER RYAN: And they also have to meet
24 higher bar requirements. They have to have a safety
25 review board of some kind, that acts to oversee, and

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1 that activity I know, from firsthand experience, is
2 scrutinized very carefully. It has to be a
3 comprehensive radiation protection program, and an
4 ALARA [as low as is reasonably achievable] program,
5 and lots of quality assurance programs, and all that.

6 MS. SCHLUETER: It is a lot of your large
7 universities and --

8 MEMBER RYAN: Sure. Hospitals.

9 MS. SCHLUETER: Yes.

10 MEMBER RYAN: Hospitals. Complexes.
11 Corporate, you know, R&D centers. Right. All those
12 things typically have those.

13 MS. SCHLUETER: Right.

14 MEMBER RYAN: So I mention that, not to
15 confound our task, but I'm not too sure that we're
16 really in that arena, and I'm not too sure we
17 shouldn't just think about, well, that is an area
18 where there's direct communication with the Agreement
19 State and NRC and the program in broad scope.

20 MEMBER NERUD: I think that --

21 MEMBER RYAN: And then the specific
22 licenses, that are a little bit less formally
23 reviewed, I guess --

24 MEMBER NERUD: If we're going to look at
25 those broad scope licenses, I think the only way, from

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1 a terrorist perspective, sorry to go back to that, a
2 broad scope license would require me to actually
3 infiltrate that organization. Do they do that? Yes,
4 they do.

5 You know, I'm sure that they could self-
6 recruit or whatever, but then I have to have access to
7 the license. I'd have to purchase everything through
8 that institution. Those are institutional licenses,
9 broad scope... however you really want to call it, and
10 the only thing you're going to be able to do there is
11 steal a copy of the license and use it illegally. All
12 right. They're not going to be able to manipulate the
13 system with that type of license, to be able to get a
14 broad scope license, and I don't think that -- I've
15 looked at everything that we've got to do, and, you
16 know, where we can eliminate stuff as quickly as we
17 can, I think the broad scope licenses for that type of
18 institution are completely beyond the capability of
19 any terrorist organization to do it, unless GAO can
20 manage to pull that one out.

21 MEMBER RYAN: Right.

22 MEMBER NERUD: And I don't think we should
23 -- I think we should focus on the most likely, most
24 dangerous course of action by an adversary which would
25 be to exploit licensing process for --

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1 MEMBER RYAN: Material. Yes.

2 MEMBER NERUD: A specific license.

3 MEMBER RYAN: A specific license. Get one
4 they can control rather than be inside of an
5 organization that has controls.

6 MEMBER NERUD: Exactly.

7 MEMBER RYAN: I raise the question for
8 that reason. I think we need to touch all the
9 categories. We need to think about it as being
10 something credible or not. I wouldn't want to leave
11 it unaddressed.

12 So to that end, if we could touch on all
13 these categories when we have a briefing on the
14 licensing process, and we hear about broad scope
15 requirements and versus specific licensing
16 requirements.

17 I think there are even categories where,
18 you know, for example, a company -- I'll think of the
19 term in a minute -- a company can use its license and
20 then can basically allow subcontractors to get
21 materials through that license. Is that correct?

22 MR. WHITE: License sharing.

23 MEMBER RYAN: License sharing? Does that
24 ring a bell?

25 MR. PANGBURN: No. I mean, there are

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1 service licenses that allow you to work at someone
2 else's --

3 MEMBER RYAN: That's what I'm talking
4 about.

5 MR. WHITE: Yes. There's a separate
6 license.

7 MS. SCHLIETER: You mean like a mobile
8 service?

9 MEMBER RYAN: No. You know, I'm going to
10 do --

11 MR. PANGBURN: Decommissioning.

12 MEMBER RYAN: Yes. Something like that,
13 or use a gauge. I mean, can I use somebody else's
14 gauge if I agree to work under their program? But I'm
15 a separate corporate entity.

16 MR. McCRAW: There are cases in
17 radiography where a second radiographer will be listed
18 as a field office on the license, although they're
19 actually a separate, second company. And it's
20 essentially license sharing. Two companies could be
21 on the same license with one listed as a field office.
22 They only have to pay a fraction of the cost for a
23 full license. Essentially that field office agrees to
24 use all the same procedures as the initial company.

25 CHAIR HILL: And all of the records for

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1 the field office use is with the original company?

2 MR. McCRAW: It's actually in the field
3 office, but the mailing address is a specific, other
4 company, and they just have an agreement to forward
5 any mail, including notices of violation.

6 MR. WHITE: But corporately, they're part
7 of one license and that one license, if there is a
8 problem with that field office, the corporate office
9 is held responsible for whatever those people deal
10 with.

11 MR. McCRAW: Right, but that corporate
12 office may not always know what's going on because
13 those radiographers are acting as separate entities.

14 MEMBER RYAN: In other words, they're
15 contracting different jobs and doing different work.

16 MR. McCRAW: Correct. They may even be in
17 different States, at least in NRC space.

18 MEMBER RYAN: Yes. That's something I
19 think it'd be helpful for us to hear a little bit more
20 about and understand the details of that.

21 CHAIR HILL: Inspections done at both
22 places, or just the original corporate?

23 MR. McCRAW: As a field office, you only
24 have to inspect 20 percent of the field offices in a
25 given inspection interval.

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1 MR. PANGBURN: I think it might be, again,
2 this would be where it would be helpful to have one of
3 our Regional folks here.

4 MS. SCHLUETER: Right.

5 MR. PANGBURN: Because frankly, I've never
6 -- this isn't ringing a bell with me, and I spent a
7 few years there [in Region I].

8 MR. WHITE: I think you see this out West.

9 MS. SCHLUETER: Yes.

10 MR. WHITE: You don't see in the East very
11 much. You see it out West.

12 MEMBER NERUD: A quick question regarding
13 this, it's something you brought up, and I may have
14 asked it before but I don't recall the answer.

15 I get a license from NRC to operate one of
16 these portable gauges. Can I operate that gauge
17 anywhere in the United States?

18 MR. WHITE: The license is issued for the
19 jurisdiction it originates from. For NRC, it's where
20 we have jurisdiction. If you were in an Agreement
21 State, say you're in the State of Georgia, the State
22 of Georgia will issue a license to work in the State
23 of Georgia.

24 MEMBER NERUD: So West Virginia is an NRC
25 state; correct?

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1 MR. WHITE: That's right.

2 MS. SCHLUETER: Correct.

3 MEMBER NERUD: Okay. So I've got a
4 company. I buy this portable gauge for my license
5 that I've got in West Virginia. I get a job in
6 Georgia. I can take this portable gauge to Georgia
7 and work it --

8 CHAIR HILL: As long as you meet the
9 reciprocity requirements, because there is reciprocity
10 between the Agreement States and the NRC.

11 MEMBER NERUD: Okay. So do I have to file
12 that reciprocity with --

13 CHAIR HILL: With Georgia. If you're
14 going to come to Georgia --

15 MR. WHITE: You need a piece of paperwork
16 to make it happen in an Agreement State.

17 MEMBER NERUD: Okay. So I just can't
18 throw it in the back of my truck and drive it to
19 Georgia and start

20 MR. PANGBURN: Well, you can at your
21 peril.

22 CHAIR HILL: At your peril; yes.

23 MS. SCHLUETER: You should be seeking
24 reciprocity from that Agreement State.

25 MEMBER NERUD: Okay. So when I buy a

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1 license, I'm buying that license to be able to operate
2 in that State.

3 MS. SCHLUETER: Jurisdiction.

4 MEMBER NERUD: That jurisdiction.

5 MEMBER RYAN: For the specific authorized
6 use.

7 MEMBER NERUD: Okay. Now an NRC license,
8 if I buy that, does that allow me to work in Region I,
9 Region III, and Region IV?

10 MS. SCHLUETER: All sixteen non-Agreement
11 States.

12 MEMBER NERUD: All sixteen non-Agreement
13 States. So an NRC license works in non-Agreement
14 States, all of them?

15 MS. SCHLUETER: Correct.

16 MEMBER NERUD: But I can't operate in an
17 Agreement State without reciprocity?

18 MS. SCHLUETER: That's right.

19 CHAIR HILL: Not without reciprocity.
20 You've got to jump through those hoops.

21 MEMBER RYAN: Think of NRC Regions as a
22 geographic convenience --

23 MS. SCHLUETER: Right.

24 MEMBER NERUD: Okay. So it's not a
25 jurisdiction for use?

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1 MS. SCHLUETER: That's correct. Right.

2 MEMBER RYAN: Except for Region I. That's
3 not as coherent. Puerto Rico and --

4 [Laughter]

5 MS. SCHLUETER: Yes, and we do have D.C.
6 and U.S. territories.

7 MEMBER NERUD: All right. Thank you.

8 MEMBER RYAN: So what's next on the
9 agenda?

10 MR. McCRAW: Well, if we're done
11 discussing the background for establishment of the
12 panel, we can move on to review of the charter.

13 MEMBER RYAN: Wow. We went way past the
14 background.

15 MR. PANGBURN: I am going to have to
16 excuse myself now.

17 MEMBER RYAN: George, thanks for joining
18 us.

19 It is about time for a break maybe?

20 [A break was take from 2:25 p.m. to 2:41
21 p.m.]

22 MEMBER RYAN: We will restart the record,
23 please, and Aaron, we are at what point now?

24 MR. McCRAW: We are going to go over your
25 charter and a clarification of the charges.

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1 MS. SCHLUETER: And I'd like to make one
2 comment if I could, please. I'll need to go to
3 another meeting at 3:00, and therefore designate Aaron
4 as the Federal Official who will preside over the
5 remainder of this meeting for today.

6 MR. McCRAW: Thank you.

7 You have been previously given a copy of
8 your charter, so you know what's expected of you. I
9 just want to go through a couple portions of it. You
10 know, through our discussions, especially during the
11 last agenda item, you kind of understand what the
12 scope of the review panel is.

13 Looking at an assessment of the
14 management, operational and security controls that are
15 in place in our licensing process, as part of looking
16 at this, it's expected that you'll develop
17 recommendations. You don't have to develop a full
18 action plan of how to resolve those recommendations,
19 but, as Mike described earlier, a nice, crisp report,
20 concise, with the recommendations and their
21 justification. The charter specifically asks for
22 documentation of each significant issue and
23 appropriate recommendations.

24 It also asks that you look at things that
25 are already in place and determine how effective they

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1 are, as well as looking at the overall "good faith"
2 presumption.

3 Your charter, as it was signed, says that
4 you should complete and submit a report, with
5 recommendations to the Commission by January 31, 2008.
6 I would like to note that in the SRM for the GAO
7 action plan, there was a little bit of relaxation put
8 on that. The final date -- well, the action that we
9 got from the Office of the Executive Director for
10 Operations, says that the Independent External Review
11 Panel should brief the Commission offices with their
12 final findings, Agency vulnerabilities concerning
13 NRC's materials licensing and tracking programs, and
14 the Agency's byproduct material security efforts. The
15 due date there is March 15, 2008. That was in
16 recognition of this group being subject to the Federal
17 Advisory Committee Act and the additional
18 administrative burden that's put on this group. But
19 that same date of March 15 is also the due date for
20 the final copy of the review panel's report. So the
21 briefing and the final report should tie together.

22 MEMBER RYAN: Sure.

23 MR. McCRAW: Okay. While we're talking
24 about the SRM, there are several other actions in
25 there as well for this review panel, and one of those

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1 is a briefing on the interim findings, and the due
2 date on that is December 12th, 2007.

3 MEMBER RYAN: And we'll be briefing?

4 MR. McCRAW: It says brief the Commission
5 offices. So is that a TA brief?

6 MEMBER RYAN: If you could firm that up
7 for us, that'd be great.

8 MS. SCHLUETER: Well, yes, we do need to
9 firm that up, because depending on the nature of the
10 information, if it is to be public, that would
11 probably throw it into a public Commission briefing,
12 potentially, or a public briefing of the Commission
13 official technical assistants, not the Commissioners
14 themselves. There would be some, I suspect, interest
15 on their part, to receive something in writing,
16 possibly, even though it would not be your final
17 report or recommendation. They may still want to have
18 something to be able to walk out of the room with, if
19 you will, and brief their Commissioners with.

20 So we need to clarify their expectations
21 on that first milestone of preliminary findings and
22 thoughts to the Commission.

23 MEMBER RYAN: That would be good, and I
24 guess recognizing that's just a short time away,
25 that's six weeks from now --

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1 MS. SCHLUETER: Right. I know it is.
2 That's right.

3 MEMBER RYAN: I think it's probably
4 reasonable to think about a presentation, maybe a
5 PowerPoint version of what our key thoughts are on key
6 issues. Or these are the key issues that we'll be
7 reporting on in our final report. Or something of
8 that sort, and then have a dialogue with them as they
9 may wish.

10 I think a written work product at that
11 point might, first of all, be stretching it for six
12 weeks from now, and second --

13 MS. SCHLUETER: Or it may take less. Yes.
14 Or less.

15 MEMBER RYAN: -- it would actually divert
16 us from our goal of a final report, come March. So I
17 don't want to get too wrapped around the axle on a
18 report in six weeks from now. Maybe you could help us
19 set the expectations for that.

20 MS. SCHLUETER: Understood.

21 MEMBER RYAN: No problem with the
22 briefing.

23 MS. SCHLUETER: Right.

24 MEMBER RYAN: I mean, you guys will be
25 here at all of our public meetings. So you'll

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1 certainly have that and the transcripts to work with.
2 But I think if we had key areas we're looking at, or
3 key areas we're going to focus on, and report that,
4 that might be helpful at that stage. If that works,
5 I think we're okay.

6 You agree, Tom? Does that sound good to
7 you?

8 CHAIR HILL: Yes. I think that sounds
9 perfectly reasonable. You think we will be able to
10 say here's some areas we're not going to go, or we
11 don't foresee at this time going in this direction?

12 MEMBER RYAN: Yes. I think we need to
13 identify any areas where we're either satisfied, or we
14 think it dives into, you know, perhaps too much
15 detail, or an area that's not within the purview of
16 the review panel or is outside our charter, or things
17 like that.

18 So we need to kind of preview what we're
19 going to include in our report and what we're not
20 going to include.

21 MS. SCHLUETER: I think that would be very
22 useful, because if they have any counter thoughts, you
23 would know it then.

24 MEMBER RYAN: Right.

25 MR. McCRAW: And as Janet pointed out

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1 earlier, there are two other groups, there's the Pre-
2 licensing Guidance Working Group, and there's the
3 Materials Program Working Group. I'm going to do my
4 best to keep you informed of the actions that they're
5 working on to try to reduce any duplication of effort.

6 MEMBER RYAN: Well, as I said, I think the
7 briefings from those two groups, and what they're
8 working on and what their insights might be, would be
9 extremely helpful to us for just that reason. We
10 don't want to step on what they're doing.

11 We certainly don't want to duplicate
12 anything they're doing, on which they're going to
13 report at some point down the road. Or they can gain
14 our thoughts on, hey, this is something we really need
15 to look at because we're learning about this and
16 finding that to be a question or an issue.

17 So I think if we can, you know, align with
18 them, we'll be in great shape.

19 CHAIR HILL: Some of the things, though,
20 that I see in here, in our charges, is also in the
21 materials and the pre-licensing working groups. So it
22 looks to me like there is already some built-in
23 overlap.

24 MEMBER RYAN: Yes. If we get a report,
25 for example, we talked about the pre-licensing

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1 agreement -- if we get a report of the status of the
2 pre-licensing guidance, as it sits now, in an updated
3 form, we're current with that.

4 CHAIR HILL: Yes.

5 MEMBER RYAN: Rather than us going to the
6 written document on the shelf and starting over.

7 CHAIR HILL: Yes.

8 MEMBER RYAN: So they'll help us get up to
9 speed with where they are.

10 CHAIR HILL: Yes. Right.

11 MR. McCRAW: And one of the other things
12 to point out in the charter is there's a charge for
13 the panel to provide a project plan for the Director
14 of FSME for comment within 30 days of initiating work.
15 That may be just like a rough draft, an outline.

16 MEMBER RYAN: Yes. I think basically it's
17 kind of this and the other summary that Tom put
18 together. Maybe even a sentence or two, annotated
19 outline. Something like that.

20 MR. McCRAW: The approximate time period
21 for this review panel is approximately 180 days.
22 That's approximate. There's some leeway.

23 MS. SCHLUETER: I'm sorry. A point of
24 clarification. You said 180?

25 MR. McCRAW: Correct. Six months.

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1 MEMBER RYAN: That's not 180 working days.
2 It's 180 calendar days in which the work will be
3 completed.

4 MR. McCRAW: Yes. Right. Because we have
5 to limit Mike, including his commitments to ACNW&M, to
6 130 days.

7 MEMBER RYAN: Total.

8 MR. McCRAW: Work days per year.

9 MS. SCHLUETER: I'll have to go back. I
10 thought it was 120. You know better than I.

11 MEMBER RYAN: For me, either way it's not
12 a problem. It's 130.

13 MS. SCHLUETER: Oh, no. I know the
14 Special Government Employee contract is, but I thought
15 under the --

16 MR. McCRAW: The proposed charter had it
17 as 120 --

18 MS. SCHLUETER: Yes; yes.

19 MR. McCRAW: -- but we received guidance
20 to extend it to 180 for administrative purposes with
21 FACA.

22 MS. SCHLUETER: Right; right. But 180
23 from when, then? The date of the SRM, you mean, or --

24 MR. McCRAW: I would say the date of the
25 charter. It was filed on October 2nd.

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1 MS. SCHLUETER: But we have a March 15,
2 2008, final deadline for their report to be at the
3 Commission.

4 MR. McCRAW: That's still within 180 days;
5 correct?

6 MS. SCHLUETER: Okay; okay.

7 MR. McCRAW: And the termination date for
8 the Committee is obviously upon completion of duties.
9 It also says but no later than two years from the date
10 that the panel, or the charter is filed. But that's
11 kind of a blanket statement. It's really upon
12 completion of duties.

13 MEMBER RYAN: Yes, unless the Commission
14 decides we need to do something else.

15 MR. McCRAW: So are there any questions on
16 the charter itself, or do you need any clarification?

17 MEMBER RYAN: No. I think that's clear as
18 a bell.

19 MR. McCRAW: Then I will turn it over to
20 you gentlemen to discuss future meetings and actions,
21 if you want to take some time to develop your path
22 forward.

23 CHAIR HILL: There was some briefings,
24 etcetera, that were talked about, and lists were made,
25 to bring us up to date. My question is what is the

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1 time frame for those to be put together? You know,
2 presumably we'll come back three weeks from today.
3 That gives you time for the announcement but is that
4 enough time for --

5 MEMBER RYAN: Let me make a suggestion, if
6 I may, sir. It'll probably help everybody, I think in
7 particular the staff, if we can look at our calendars
8 and put the time slots and the number of days we want
9 to meet formally, here, for information-gathering.

10 Then I think apart from the information-
11 gathering briefings, we want to put in some writing
12 time. We can create drafts, but if I understand our
13 charter right, we need to deliberate in public on the
14 draft that we create.

15 MS. SCHLUETER: Correct.

16 MEMBER RYAN: So that means we're going to
17 have to do a lot of reviewing, discussing, and editing
18 in this setting. So that's going to be a formal day
19 or so to work on sections and come back and read them
20 back and create the written record that we normally do
21 for drafting of materials. So just a "heads up."

22 So I think if we maybe look at the
23 calendar and begin to lay that out, we're on the right
24 track.

25 MS. SCHLUETER: I think if you can lay out

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1 your availability and your calendar, and estimate what
2 percentage of that time you think you need to devote
3 to these informational briefings versus your
4 deliberations and drafting, and prioritize for us the
5 informational briefings.

6 Which ones do you really think you need
7 first and foremost?

8 We will do our best to either have -- of
9 course my staff, my division, our Office or, the
10 Regions, whomever we need to support the informational
11 briefings, we'll do what we can to get the right
12 people here at the right time. If we want Agreement
13 State reps, obviously the sooner we figure that out
14 the better. A lot of the States do have restrictions
15 on their travel, even if I'm paying for it. So I
16 still have to consider -- sometimes they need 30-day
17 notices, and so forth, to even get out of the State.

18 So we'll work around that. But if you
19 could prioritize for us which informational briefings
20 you think would be most valuable early on, then we'll
21 get those people lined up once we have dates.

22 And again, obviously, it can't be shorter
23 than three weeks or more from today.

24 MEMBER NERUD: Do informational briefings
25 have to be public?

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1 MEMBER RYAN: Yes, unless there's a
2 security --

3 MS. SCHLUETER: Unless we're going to
4 identify some portion of the briefing, either the
5 material presented or the discussion you want to have
6 as a part of it as sensitive information, then we
7 would close that portion of the meeting. In some
8 ways, we want to come in and bring the people that you
9 need to inform you. The lighter work we can make of
10 that on our end as far as briefing materials, you
11 know, preparation of any materials coming in, will
12 certainly increase the likelihood that we're going to
13 get the people here as soon as we can.

14 In other words, if we can operate off of,
15 you know, PowerPoint slides, or some bullets, or what
16 have you, not exhaustive written materials that don't
17 currently exist, the better off I think we'll all be.
18 You see?

19 MEMBER RYAN: Yes. Absolutely.

20 MS. SCHLUETER: And some of it's going to
21 be just information, you know, talking off the top of
22 your head, their heads.

23 MEMBER RYAN: The less we do of that, the
24 better. If they could even make just simple
25 PowerPoint presentations, these are our thoughts, and,

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1 you know, here's some bullets on a page that backs up
2 the PowerPoint. That's fine.

3 MS. SCHLUETER: Right. Here's what a
4 broad scope is, here's what a limited specific is,
5 here's what a GL -- something that you walk away with
6 --

7 CHAIR HILL: That would address this
8 import-export specific in general --

9 MEMBER RYAN: Right. I've asked Aaron to
10 actually put together the sections that we can read on
11 that, so we can all read the basic regulation sections
12 and get current on where we are with those. That's
13 not hard to do. The same with the guidance documents.
14 I mean, some of that's in that IMPEP [Integrated
15 Materials Performance Evaluation Program] stuff that
16 you sent us. But if we could just pull those together
17 by those topics, that would be great. We can read it.
18 We can hear a briefing on the current status of
19 whatever activities are in those areas to formulate
20 thoughts.

21 With that in mind, I want to suggest a
22 format, see if you like it. If we travel on day one,
23 whatever day one is, we can start, like we did today,
24 at 1:00 o'clock to 5:00 o'clock, and my thought is the
25 second day we can have a full day, whether it's

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1 briefings or just dialogue, or even writing sessions,
2 have a full day, and then maybe even on the third day,
3 just either not have the third day and travel early in
4 the morning on the third day, or --

5 CHAIR HILL: Or half the day and travel in
6 the afternoon.

7 MEMBER NERUD: What if we made that third
8 day the closed session?

9 MEMBER RYAN: We sure could, if needed.

10 MEMBER NERUD: And if we need it, use it.
11 If we don't, you guys change your flights to down
12 south.

13 MEMBER RYAN: Well, that's not as easy to
14 do as you might think in this setting. So we'll
15 either use it for writing or do something, or, you
16 know, close it or whatever. We can always adjust that
17 once we're into that schedule.

18 MEMBER NERUD: All right. Yes. No
19 problem.

20 MS. SCHLUETER: Once you identify your
21 first dates, we'll get the people that you need as you
22 prioritize these informational briefings.

23 MEMBER RYAN: It might actually be a
24 little bit more efficient if we want to keep that
25 option open, is to have two full days and travel in on

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1 the evening of the previous day. So the first day is
2 travel day in, and then if we're going to go to like
3 noon on the second business day, or 2:30, then, you
4 know, people can, you know, stay that whole day, go
5 the next day, or whatever, that might work.

6 With that in mind, that gives us the --
7 I'm open the week of the 26th, from the 28th, 29th,
8 and 30th.

9 MEMBER NERUD: I'm there.

10 MEMBER RYAN: You're there, so --

11 MEMBER NERUD: I've got my schedule, real
12 easy. November 9th, I can't, and the first two weeks
13 of December --

14 MEMBER RYAN: Hang on. Just tell us "no"
15 when we get to those weeks.

16 MEMBER NERUD: Okay.

17 MEMBER RYAN: Okay. The 27th through the
18 30th we'll block out. I'm pretty much done until next
19 year now, after the Holidays, and ACNW&M meetings and
20 South Texas Project BWR training.

21 MS. SCHLUETER: But we'll be having to
22 brief the Commission.

23 MEMBER RYAN: What day?

24 MS. SCHLUETER: By no later than December
25 12. That's only going to give you two weeks.

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1 MEMBER RYAN: Okay. How about the -- can
2 we shoot for the 3rd or the 4th?

3 MS. SCHLIETER: Of what?

4 MEMBER RYAN: Of November. Well, it's not
5 a long time, is it?

6 MS. SCHLUETER: We're not going -- no.

7 MEMBER RYAN: Of December. December.

8 MS. SCHLUETER: That's giving you even
9 less time.

10 MEMBER RYAN: Well, the 12th I can't do
11 it. I'm just not going to be here on the 12th. So
12 it's going to be before or after. Seventh? Friday,
13 the 7th?

14 MS. SCHLUETER: You mean December? Are
15 you talking about --

16 MEMBER RYAN: Yes. December 12th.

17 MS. SCHLUETER: For the Commission?

18 MEMBER RYAN: Yes.

19 MS. SCHLUETER: Well, I don't have the
20 liberty to adjust their availability. So we've got to
21 work now to figure out what flexibility we have on the
22 date to brief the Commission. I'm more concerned that
23 we schedule --

24 MEMBER RYAN: I'm going to be in a whole
25 different place.

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1 MS. SCHLUETER: I'm more concerned that
2 you guys schedule your next meetings, so you have
3 enough time to prepare, to come up with your
4 preliminary insights by early to mid-December.

5 MEMBER RYAN: Okay. The only day I'm
6 available that week, I have a prior commitment I
7 really can't break easily -- so if I could do it on
8 the 14th of that week, that would be best for me.

9 MS. SCHLUETER: You're talking about
10 December for the Commission?

11 MEMBER RYAN: Yes; yes.

12 MS. SCHLUETER: And now can you meet
13 before Thanksgiving? Would that help you guys, to
14 meet before?

15 MEMBER RYAN: No. I can't. Between now
16 and then, I am somewhere else. I take that back. I
17 could do it, meet on the 12th for a day. Or I could
18 meet on the 15th for a second half of the day, and the
19 16th. Cause I'm here for the ACNW&M meeting.

20 MS. SCHLUETER: Administratively, are we
21 going to be able to notice it? It has to be what? Ten
22 business days or ten calendar days?

23 MR. McCRAW: It has to be in the *Federal*
24 *Register* for ten business days.

25 MS. SCHLUETER: Ten business days.

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1 MR. McCRAW: And it typically takes about
2 five business days to get down there and to the
3 Register.

4 MS. SCHLUETER: Right. So that's not even
5 --

6 MR. McCRAW: So if we did the notice
7 tomorrow --

8 MEMBER RYAN: That's not even on our radar
9 screen.

10 MS. SCHLUETER: That'd be tomorrow. Yes,
11 two weeks from --

12 MEMBER RYAN: Well, the week of
13 Thanksgiving you can kind of forget, cause I mean if
14 you don't have a plane ticket here, you're not going
15 to get one real easily. And that is the busiest
16 travel week of the year.

17 CHAIR HILL: Did you say you were
18 available the 27th through the 30th?

19 MEMBER RYAN: Yes. 27th through the 30th,
20 I'm all set.

21 CHAIR HILL: And from getting it
22 announced, and getting --

23 MS. SCHLUETER: Well, that's not a
24 problem. I mean it's four weeks.

25 CHAIR HILL: That one we can do. Well, do

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1 we need to figure it for longer than the three days,
2 or something, to get prepared for that Commission
3 briefing? Do we need to just plan on coming in here
4 for all four days?

5 MEMBER RYAN: Sure.

6 CHAIR HILL: 27th through the 30th.

7 MEMBER NERUD: 27th through the 30th of
8 November?

9 MEMBER RYAN: You know, I think the
10 Commission needs to understand that we will have only
11 had this one organizational meeting and one other
12 meeting before they expect a briefing. If they could
13 push that into very early January, that would be a
14 whole lot better. I'm thinking the December 12th date
15 was based on the fact that they didn't realize the
16 constraint of FACA meetings. Or somebody didn't.

17 MS. SCHLUETER: Well, it was originally
18 November 19th.

19 MEMBER RYAN: I wish I could do it but I
20 just cannot.

21 MS. SCHLUETER: We've got another month.

22 MEMBER RYAN: I mean, I've got another
23 commitment I can't change.

24 CHAIR HILL: I have a 6:30 meeting on the
25 26th, back home.

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1 MEMBER RYAN: Of what?

2 CHAIR HILL: November. On Monday, the
3 26th, I have a 6:30 meeting.

4 MEMBER RYAN: We're talking about
5 traveling on the 27th.

6 CHAIR HILL: Travel on the 27th? I'm okay
7 with that.

8 MEMBER RYAN: And we'll start at noon.

9 CHAIR HILL: And go through at least noon
10 on the 30th?

11 MEMBER RYAN: Yes. I know two of the
12 three commissioners are going to be in the week of the
13 17th because that's the ACNW&M meeting. I could
14 certainly leave the ACNW&M meeting to do this other
15 briefing. So that following week would be great. The
16 week of the 17th. And I'll be here all day Monday
17 through the 20th. Actually, through the 19th. But I
18 can stay the 20th, if I have to. Actually, the 21st,
19 for that matter.

20 CHAIR HILL: For December?

21 MEMBER RYAN: Yes. I'm trying to figure
22 out a way to change it from the 12th.

23 MR. WHITE: You don't want to be traveling
24 on the 21st, I don't think, unless you absolutely have
25 to.

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1 MEMBER RYAN: That's Friday. Yes; that's
2 true.

3 MS. SCHLUETER: Okay. So there is an
4 ACNW&M meeting or --

5 MEMBER RYAN: The 17th, 18th and 19th.

6 MS. SCHLUETER: Are you doing your annual
7 Commission briefing at that time?

8 MEMBER RYAN: No. We're doing that in
9 November.

10 MS. SCHLUETER: Okay.

11 MEMBER RYAN: So I can break out of the
12 meeting and let the other four committee members
13 continue and join this briefing, real easily. That
14 would be my preference, because that's much easier for
15 me to do, and that only shifts it, you know, 5 days.

16 MS. SCHLUETER: Right.

17 CHAIR HILL: And you're looking at what
18 date for that?

19 MS. SCHLUETER: The week of the --

20 MEMBER RYAN: 17th, 18th and 19th.

21 MS. SCHLUETER: Somewhere in that.

22 CHAIR HILL: 17th, I've got an evening
23 meeting again on Monday.

24 MEMBER RYAN: So 18th of --

25 CHAIR HILL: So 18th or 19th works fine

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1 for me.

2 MEMBER NERUD: I've got a meeting on the
3 18th but I can get out of it. Please.

4 MEMBER RYAN: So I hear the 18th's a
5 preferred date.

6 MEMBER NERUD: 18th and 19th are -- I'm
7 open.

8 MS. SCHLUETER: Okay.

9 CHAIR HILL: The afternoon of the 18th.
10 19th. Okay.

11 MEMBER RYAN: The good news is other than
12 January 2nd, my January's wide open to the 25th. Six
13 weeks out, I'm dead. After that, not so bad. We do
14 not have a January meeting, so the whole month is
15 clear.

16 CHAIR HILL: And generally, the first
17 Tuesday each month and the third Monday, I've got to
18 have that.

19 MEMBER RYAN: So what do you want to set
20 for times, then? Do you want to just work on -- when
21 you say Tuesday, it's a Tuesday night meeting, or --

22 CHAIR HILL: Yes. Public hearing.

23 MEMBER RYAN: Okay. So for January, we're
24 looking at 9, 10 and 11, then. 16, 17 and 18. 23, 24
25 and 25. Those are the Wednesday, Thursday, Fridays of

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1 those weeks.

2 CHAIR HILL: Yes.

3 MEMBER RYAN: 9 through 11, 16, 17 and 18,
4 23, 24, and 25.

5 CHAIR HILL: Every one of those will be
6 fine for me. Now January 30 through February 1 will
7 not be.

8 MEMBER RYAN: Okay. Yes. That doesn't
9 work for me either. So we're good there. February 6,
10 7 and 8. There's an ACNW&M meeting on the 12th, 13th
11 and 14th. So whatever we're going to do, I can do
12 around that.

13 CHAIR HILL: I guess on February 12th, I'd
14 better be around Atlanta for the HPS [Health Physics
15 Society] dinner meeting with the President-Elect.

16 MEMBER RYAN: February...?

17 CHAIR HILL: 12th.

18 MEMBER RYAN: Okay; yes. So maybe that
19 ACNW&M week we don't have much. And then I'm
20 traveling on the 22nd, which is Friday, but the week
21 of the 18th I'm clear otherwise. But you're not;
22 right?

23 CHAIR HILL: I'm not on Monday.

24 MEMBER RYAN: Tuesday, Wednesday, Thursday
25 you could do?

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1 CHAIR HILL: Yes. Tuesday, Wednesday,
2 Thursday I could do.

3 MEMBER RYAN: So 19, 20, 21 then.

4 March. The week of the 3rd and the week
5 of the 10th are completely clear for me at this point.

6 CHAIR HILL: The week of the 3rd; no. On
7 the 4th I'm tied up.

8 MEMBER RYAN: So 5, 6, 7.

9 CHAIR HILL: 5, 6, 7. And then the 10th
10 through the 14th. The whole week.

11 MEMBER RYAN: The whole week's good for
12 me.

13 CHAIR HILL: The 17th --

14 MEMBER RYAN: The ACNW&M's in town. So
15 I'll be here already.

16 CHAIR HILL: So the 17th's out. So 18th,
17 19th, 20th. 18th through the 21st.

18 MEMBER RYAN: That one, I just won't know.
19 I mean, there might be some things I couldn't break
20 out for. So if we could avoid that week at this
21 point, that would be good.

22 MR. McCRAW: The final report is due March
23 15th.

24 CHAIR HILL: That's right.

25 MEMBER RYAN: Oh. So we don't even need

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1 to do March.

2 CHAIR HILL: We don't have to do it.

3 MR. McCRAW: It looks like it's a
4 Saturday.

5 MEMBER RYAN: Yes; it is. The 14th is
6 when we'll be doing this.

7 CHAIR HILL: Yes.

8 MEMBER RYAN: Or maybe we could slide it
9 to Monday. Isn't that the banking rule? Next day if
10 it falls on a weekend?

11 MEMBER NERUD: We could slide it down to
12 the other end, to the 29th of February.

13 MEMBER RYAN: SO that gives you the dates.
14 Could you do us a favor, Aaron, before we leave. I
15 didn't do it. Tom's more able to block it out right
16 there. I'll need to do that. So if you could just
17 make a separate sheet of paper and let me copy those
18 dates.

19 MR. McCRAW: Sure.

20 CHAIR HILL: I'd appreciate it too.

21 MEMBER RYAN: Everybody gets those dates
22 we agreed to, so we can block them.

23 Is there any particular activity away from
24 home base here, that we might want to think about?

25 [No response]

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1 MEMBER RYAN: We talked a little bit, Ben
2 and I did, about, you know, you might want to visit a
3 facility or two.

4 MEMBER NERUD: That was going to be the
5 other thing. I'm pretty much dedicated to this. They
6 reduced my calendar to nothing. They've taken me off
7 every trip that I've got. So, you know, you guys are
8 real familiar with everything that's going on here.
9 I mean, you at least have some background knowledge
10 and you're going to be able to pick this up fairly
11 quickly.

12 I was going to suggest that perhaps in
13 some of these things, like the licensing, I mean, you
14 sitting in here and listening to me ramble on for
15 hours about, well, why do you do this and why do you
16 do that? it's -- you're going to take a nap.

17 MEMBER RYAN: I don't think so. I mean,
18 those are good questions and sometimes they're
19 challenging questions and we learn more, so --

20 MEMBER NERUD: And so what I'm thinking is
21 perhaps it may be beneficial at least to get me
22 familiar with some of this stuff, is that I do some
23 independent things, you know, spend a couple of days,
24 three, four days, and go through the licensing
25 process. Where do you do your training for your

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1 license reviewers? You know, is there a license
2 reviewer training course going on any time in this
3 area?

4 MR. McCRAW: I don't believe so. I would
5 have to check the training schedule. We have it down
6 in Chattanooga and it's only a general class for
7 licensing. The overall qualification program is about
8 a 2-year process, and that's spelled out in Inspection
9 Manual Chapter 1246.

10 MEMBER NERUD: How long is the course for
11 licensing?

12 MR. McCRAW: It's usually a week-long
13 course, but, for instance, if we were to take a "field
14 trip" up to our King of Prussia office (Region I), I
15 could probably get you a condensed version by sitting
16 down with some license reviewers, and we could do it
17 a whole day or --

18 MEMBER RYAN: And I think a couple of case
19 studies. You know, here's a simple license for
20 gauges, instruments, articles. Here's a complex
21 license for, you know, a broad scope license, and at
22 least see a license, get a flavor for what, you know,
23 the license reviewer things, and when they review it,
24 when correspondence comes in, and what happens to it.

25 I mean, I think just seeing that would

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1 help you a lot.

2 MEMBER NERUD: And I couldn't agree more,
3 and it's at least going to provide some parity to the
4 panel, because I mean, I kind a felt that, you know,
5 some of these questions -- okay, you guys understand
6 this process, and now I'm doing this, and I'm going
7 back to real basics. So I want to get the
8 fundamentals down.

9 CHAIR HILL: I've had this out of my mind
10 for 4 years. I've not thought about licensing for 4
11 years, so I have been working to come back up to
12 speed, and a lot of it's coming back pretty quick. A
13 lot of the basics are.

14 MEMBER NERUD: I don't even have a speed
15 yet.

16 MEMBER RYAN: My other thought, too, for
17 Ben, would be to visit an Agreement State program.

18 CHAIR HILL: Yes. That was one of the
19 thoughts I had, at one time, was this group going to
20 have every meeting here around a table, or would there
21 be a field trip, quote, unquote, to a Regional Office
22 or to an Agreement State? And I don't know how that
23 would work under this kind of --

24 MEMBER RYAN: You can do it a couple ways.
25 We [ACNW&M] have taken field trips where the Committee

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1 receives information and it is publicly noticed, or it
2 can be a subcommittee to gather information and make
3 the report back. So if you two guys went somewhere
4 and reported back to the full committee in open
5 session, you're okay as far as I understand this. So,
6 you know, as long as we don't go and make decisions,
7 or deliberate.

8 CHAIR HILL: Sure. Right.

9 MEMBER RYAN: You know, I think that's the
10 real -- of course Szabo could give us the exact role.
11 But very often, subcommittee members would go from
12 ACRS or ACNW&M, and, you know, just gather information
13 and then make a formal written report back to the full
14 committee. So I would suggest you two guys -- you
15 know, you could help kind of give it some insight
16 through the licensing process. You know, if you want
17 to see a specific type facility, we could figure that
18 out. And I'm more than happy to go, but it's just,
19 you know, if you guys have a schedule and can fit it
20 in, go for it.

21 MEMBER NERUD: Yes, and that's what I'm
22 looking at, is I'm looking at the schedule, so, you
23 know, I mean, you're down in Atlanta, I notice, and
24 the Agreement State office is close by there. That
25 may be a good place to do that field trip.

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1 MEMBER RYAN: We could head to Georgia to
2 go look at some licensees.

3 CHAIR HILL: Well, and there are some
4 licensees around the Metro Atlanta area that you could
5 get a feel for source manufacturing. Okay. You're
6 talking about how are these sources made? Now,
7 granted, they're medical sources --

8 MEMBER NERUD: It's okay.

9 CHAIR HILL: -- seeds, you know --

10 MEMBER RYAN: You could see Georgia Tech,
11 or Emory, or, you know --

12 CHAIR HILL: -- broad scope, academic.
13 You can see those broad scope, or you could see a
14 portable gauge licensing. And an industrial
15 radiographer, in house, and portable.

16 MEMBER NERUD: Yes. I'd like to do that.
17 But the other thing is I really need to see the
18 licensing process for NRC, and I mean, if they do that
19 up at King of Prussia, I'm going to need to get up
20 there.

21 MEMBER RYAN: So I think with those two
22 field visits, Ben, you'd be, you know, gaining a lot
23 pretty quick, so --

24 MEMBER NERUD: I think if I got those two,
25 I'd at least --

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1 MEMBER RYAN: You'd have your feet on the
2 ground.

3 MEMBER NERUD: I've had my feet on the
4 ground, and I could actually translate what I've read
5 in all those documents and rules and guidelines too.
6 Okay. This is how that fits in. This is how the
7 process works.

8 MEMBER RYAN: So pick whatever you
9 intersect in those dates and just, you know, whatever
10 you can set up and go for it.

11 MEMBER NERUD: Okay.

12 MR. McCRAW: You know, Ben, if you're
13 available other times, you and I can go up there.

14 MEMBER NERUD: Up to King of Prussia?

15 MR. McCRAW: Yes; unless you're also
16 interested, Tom. I don't want to exclude you.

17 CHAIR HILL: Well, that's part of what I
18 was thinking. If you're going to be going and looking
19 at the licensing process, I don't know that I would
20 give a whole lot of, you know, insight into what
21 they're doing. You know, the folks that are doing it
22 can answer that, answer those questions. I don't have
23 a problem with going, if it's going to be useful. But
24 I'm not, right now --

25 MR. McCRAW: We can still plan to have the

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1 licensing briefing.

2 MEMBER RYAN: Yes. We've got to get the
3 briefing here.

4 MEMBER NERUD: Yes, we can get the
5 licensing briefing but --

6 MEMBER RYAN: I just think it'd be helpful
7 for Ben to see it where it happens.

8 MEMBER NERUD: I need to get some
9 fundamentals, so that when they start talking about
10 the licensing process, I can at least translate it
11 into something.

12 MEMBER RYAN: Yes. And it might be as
13 simple as I want to fill out a license application for
14 a source gauge. How do I do that?

15 MEMBER NERUD: Exactly, and that's really
16 what my intention is, is to say --

17 MEMBER RYAN: And walk through it
18 yourself.

19 MEMBER NERUD: -- I want to buy one of
20 these things GAO did. How do I do that? And have
21 someone walk me through that whole process and tell me
22 where the, you know, the key indicators are, where the
23 choke points, where, you know, whatever you're looking
24 for.

25 MEMBER RYAN: One element to think about

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1 -- and Ben, this is more in your bailiwick than mine,
2 certainly -- is I've heard some discussion or comment
3 on the idea that the license was actually modified by
4 the GAO guys, and that there's some aspect of this
5 which is how do you secure a license. Now, you know,
6 we do everything from put fancy markers of I don't
7 know how many different kinds on our new money, so
8 it's hard to counterfeit --

9 MEMBER NERUD: But if you're faxing your
10 license for authorization, that kind a takes all those
11 fancy markers and takes them right out.

12 MEMBER RYAN: Yes. But, you know, we do
13 bank transfers, zillions of dollars every day, and
14 that's a fairly robust system, even though it's not
15 perfect. Drivers licenses, or, you know, other things
16 that, you know, we have as --

17 MEMBER NERUD: I was actually looking more
18 along the lines of -- you know, I don't want this to
19 sound like I'm a "gun nut" cause it's the second time
20 I've said it. But you go in to buy a pistol, there's
21 a 7-day waiting period, and they run through a check
22 on that. Do you have that authorization?

23 Well, you know, if you're going to buy a
24 portable nuclear device, you should probably go
25 through the same type of check, at least a validation

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1 process for the license, where the seller has to go
2 back to the licensing agent and say, Here it is, what
3 does it say -- and I think you've got a computer
4 program that you use, that has all that data on it, I
5 can't remember the acronym that it's -- it's where you
6 do all the process on it right now. That's one of
7 those things that I wanted to see work.

8 MEMBER RYAN: Can you update a license?
9 Has the license been databased?

10 MR. McCRAW: There's the License Tracking
11 System, or LTS.

12 MEMBER NERUD: LTS. And so you've got
13 that License Tracking System. Well, you know, if you
14 go back to the people, they're like, yes, he's got
15 this, this is the license, this is how much he can
16 buy, and this is where he's going to use it and --

17 MEMBER RYAN: And his inspection record is
18 good, bad, or ugly, or whatever it might be, and so
19 forth.

20 MEMBER NERUD: And then it does a couple
21 of things there. You know, it validates the licensing
22 process. But the other part of it is that it also
23 puts some of the responsibility of selling these
24 devices back on the sellers. You know? I mean, right
25 now, with everything that I saw, they get a license to

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1 build this stuff and that's pretty much it.

2 As long as they can get a license, or
3 something from somebody, they're authorized to sell.
4 There has to be some responsibility --

5 MEMBER RYAN: And that takes us back to
6 this presumption of trust.

7 MEMBER NERUD: Presumption of trust;
8 exactly.

9 CHAIR HILL: Well, one suggestion -- the
10 Organization of Agreement States had a meeting last
11 month, and there was a discussion that went on there
12 about issues related to this. But one suggestion.
13 You know, you're talking about Atlanta's got all kinds
14 of things in it. Provide that licensee with four or
15 five original copies. They'll no longer fax them.
16 The seller has to have an original in hand. So that
17 would be one way of making sure that it was a valid
18 license. So it's an idea.

19 MEMBER NERUD: And what's really nice
20 about that is you can limit what's on each one of
21 those original licenses. So if the guy says, hey, I
22 only need one density gauge, well, you issue him a
23 license for one density gauge, and that's it. He only
24 gets one valid license.

25 MEMBER RYAN: It's a great subject,

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1 because I think there's ways to -- and we need to
2 think about how far, you know, what detail we want to
3 go with this. If we want to make a general
4 recommendation that some validation process needs to
5 be developed, so that a seller of a radioactive
6 material source is certain that he's filling a
7 legitimate license, that's kind of one thing that just
8 fundamentally seems to make sense to me. Now the
9 other is --

10 MEMBER NERUD: But the other thing that
11 this --

12 MEMBER RYAN: Well, let me just finish the
13 idea. The other thing is how far down the -- and
14 these are options, that you have to do it, or thou
15 shall do it this way. We've got to be careful to
16 think about, you know, how far do we want to dive into
17 the details on any one of these topics, particularly
18 this one.

19 MR. McCRAW: I want to make the Panel
20 aware that the NRC is working on what we call the
21 National Source Tracking System.

22 MEMBER RYAN: Yes.

23 MR. McCRAW: And, you know, there's going
24 to be some capability where a seller is going to be
25 able to like look at the authorization for a

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1 particular licensee, and also know what that licensee
2 already has already, to say, yes, I can ship this
3 gauge, or no, if I ship this gauge he's going to go
4 over his authorization.

5 MEMBER RYAN: If we could have a briefing
6 on how that systems works and what the checks and
7 balances are, and that, as we start, that would be
8 great.

9 CHAIR HILL: I heard some comments on that
10 at the Agreement States meeting, and more detail on
11 that would be helpful; but just cursory, that I heard.
12 I think that's good.

13 MEMBER NERUD: Part of having that type of
14 system in there also goes to that other GAO report,
15 where they snuck the stuff across the North and South
16 borders, and, you know, they produced the fraudulent
17 NRC license, and which is, you know, most CBP [U.S.
18 Customs and Border Patrol] guys have --

19 MEMBER RYAN: I know my passport can be
20 instantaneously checked. All they have to do is scan
21 it. So there are systems --

22 MEMBER NERUD: Right. Well, there should
23 be a way where somebody produces an NRC license, I was
24 working down in Mexico, okay, you go back, online pull
25 it up, hey, you don't have a license so it's, you

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1 know, let's go to jail.

2 MR. HICKEY: When you interface with our
3 other working groups, you will hear --

4 MEMBER RYAN: Just remind us, just for the
5 reporter.

6 MR. HICKEY: John Hickey from NRC. When
7 you interface with our other working groups, you will
8 hear some of the things that we're also considering
9 about validation directly with the licensing agency,
10 bypassing any other possibility of fraud. That it has
11 to be validated directly with the Agency that issued
12 the license.

13 CHAIR HILL: That's right. Because there
14 have been times when the distributors would call the
15 regulators, whoever issued the license, and say I've
16 got this, is this right? is this current?

17 One other issue that was brought up,
18 talking about going with five licenses, you know, five
19 originals, or X number of originals. Requiring that
20 all old, outdated licenses be destroyed. Don't have
21 a file drawer full of --

22 MEMBER NERUD: Becomes an inspection item
23 when you do your site visits.

24 MEMBER RYAN: Yes, there's things like
25 that that can really clean it up. One thing I think

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1 too that -- and I know, Tom, you're very sensitive to
2 this, and having worked with an Agreement State or two
3 as a licensee, that care has to be taken not to put an
4 undue burden on what are typically programs that are
5 stressed for money anyway.

6 MEMBER NERUD: Yes. That was going to be
7 my comment, is I understand why the regulations are
8 written the way they are, because this is to conduct
9 business, and everything that we do is going to
10 inhibit somebody's ability to do business --

11 MEMBER RYAN: Or add cost.

12 MEMBER NERUD: -- or add cost, or
13 whatever. So the things that -- and I'd like to make
14 this recommendation -- when we start doing this, I
15 mean, we can come up with some really "cool," nifty,
16 expensive stuff, bring in some satellite detectors,
17 and all the rest of this other stuff into it, but we
18 really need to temper our ideas with a business
19 perspective on it.

20 MEMBER RYAN: And I'm open to --

21 MEMBER NERUD: We have to achieve
22 acceptable risk, and, you know, when I read the
23 charter here, and it said, you know, "to which these
24 controls are implemented correctly, operating as
25 intended, and producing the desired outcome," well,

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1 you know, there's a lot of regulations, there's a lot
2 of words that are written out there, and all it takes
3 is that one license reviewer to have a "bad day," and
4 that's what got GAO the license.

5 You know, maybe they normally do all this
6 stuff.

7 MEMBER RYAN: I'm not sure that's quite
8 right. In fact, I think I would add to our briefing
9 list, there was a sequence of events, and if we could
10 hear a little bit more about that from the -- you
11 know, if I understood it right, the staff that issued
12 the license followed the guidance.

13 MR. McCRAW: Correct.

14 MEMBER RYAN: And they did everything the
15 guidance told them to do. So I think if we had a
16 little bit more detail on what those steps and how
17 that went along, you know, why that conclusion was
18 made, would be helpful.

19 CHAIR HILL: Right. As I understood it,
20 and I may be wrong, there was discretion, the license
21 reviewer had discretion on some of the things.

22 MR. McCRAW: In the amount that was
23 requested, the three or four gauges that were
24 requested, it doesn't trigger a site visit per the
25 existing pre-licensing guidance.

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1 MEMBER RYAN: Right. It was the fraud of
2 modifying the license by the recipient that kind a
3 jumped it into a new realm. So I think that's a real
4 important point, and so what was the real question
5 there, that it was very easy to produce a fraudulent
6 license.

7 MEMBER NERUD: Right. They can get it.
8 So what I'm thinking -- I'm spinning right now -- one
9 of the things that we really need to take a look at is
10 indicators and warnings of potentially fraudulent
11 applications in the process.

12 MEMBER RYAN: Yes.

13 MEMBER NERUD: And if we can identify key
14 indicators in that, things, that we do that, and I
15 know Aaron and I talked a little bit about, you know,
16 Web site reviews and that sort of thing. But I think
17 we should go a little bit further than that, into, you
18 know, some of the other background --

19 MEMBER RYAN: Well, the other part is, you
20 know, and again I'm picking on Agreement States
21 because I spend a lot of time working with regulators
22 in Agreement States, is I always had the habit of
23 going to the regulator. If I wanted something, I went
24 and knocked on the door. I'd like to come and talk to
25 you about XYZ. I'll give you a simple example.

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1 There was a physician in a hospital that
2 wanted to participate in a radiopharmaceutical trial,
3 and of course it was a monoclonal antibody, Iodine-
4 131, which sticks pretty much to the molecule and then
5 sticks in the organs, there's very little excretion,
6 no exhalation, and the regulator said, well, I'm
7 worried about two things, trash showing up in a
8 landfill with iodine on it. Everybody knows what
9 happens then. The newspapers get called by the guy at
10 the truck stop. And the second is I really want to
11 know about personal trash, and the home, and all that
12 kind of stuff. Are there going to be, you know,
13 sheets that are contaminated?, and all that kind of
14 jazz.

15 So the guy knew I had dealt with the
16 regulators, and he said, what do I have to submit? I
17 said this is a little complicated. I said how about
18 we get in the car and go see him, and we'll have a
19 written plan, and we'll talk over what the plan is to
20 address these two issues.

21 We'll drape the beds and we'll collect up
22 all the personal items and use disposables rather than
23 washables, and we'll, you know, do some monitoring
24 after the first patient gets home and gets settled,
25 and see if there's any contamination, and we'll

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1 collect everything up and save that, and bring it back
2 to the hospital. That problem's pretty well in hand.

3 The second, you know, is basically what's
4 the caregiver dose. So we're going to monitor the
5 caregivers. We'll put TLDs [thermoluminescent
6 dosimeters] on them. How's that? Does that solve
7 your problem? Or is there anything else? No. That
8 sounds like you got -- we had a, you know, written
9 plan and procedure, and all that ready to go.

10 He says, well, when do you think we can
11 get approval to do this? He said, well, it'll
12 probably be on your fax machine when you get back to
13 your office. It was about an hour and a half ride
14 home. So nothing beats a first-hand meeting, to talk
15 over details, and, you know, having interaction,
16 although, you know, even though that's maybe a bias
17 from my own experience, I know in the Regions that
18 it's tough to go to Wyoming to visit a gauge licensee
19 applicant, you know, for a 3-day trip, four or five
20 grand of expense time, and that's hard to do.

21 So I know that's not going to work in
22 every situation.

23 MEMBER NERUD: But with the right set of
24 indicators, the right set of warnings --

25 MEMBER RYAN: You should do that anyway.

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1 MEMBER NERUD: -- we can achieve an
2 acceptable level of risk on this whole specific
3 process.

4 MEMBER RYAN: So I hope we can somehow
5 find those balance points that'll be helpful to tell
6 the Commission that, you know, knee-jerking to visit
7 every applicant, you know, that's not risk-informed,
8 or --

9 MEMBER NERUD: Yes. How much money do you
10 have to do this?

11 MEMBER RYAN: Everything is A-okay, the
12 way it is, nothing needs to change, that's probably
13 not okay either. So we're trying to -- I think one of
14 our jobs is to wrestle with, you know, what are those
15 middle-of-the-road things where we can see some
16 improvements, and you get some insights there that
17 will help.

18 CHAIR HILL: And depending on what we're
19 going to recommend, knowing that resources are
20 limited, there's a history of safety, risk-informed
21 safety, and we're going to take -- how much safety are
22 we going to take resources away from that to build
23 security?

24 MEMBER RYAN: That's exactly right. I
25 mean, the Agreement States and the Regions do a good

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1 job of protecting workers, protecting licensees,
2 protecting the public, protecting the environment. We
3 can't lose track of that. You know, I think that's an
4 important thing, not to -- and the Agreement States do
5 a great job at it too.

6 By the way, the caregiver dose was well
7 under the 500 millirem limit, it was about a hundred,
8 and none, none of the trash had any measurable
9 contamination at all from this job.

10 MEMBER NERUD: When you told that story,
11 I understood the last half of it.

12 MEMBER RYAN: It's a new cancer therapy,
13 is what it boils down to. It worked pretty good.
14 They even put a TLD on a dog because the patient had
15 a dog, and she was real worried about the dog. In
16 fact she was crying over the fact the dog was going to
17 sit in her lap. So the dog had about 80 millirem.

18 MR. McCRAW: If that's the end of the
19 discussion on future meetings and actions, do you want
20 to move to the public participation part?

21 MEMBER RYAN: Do we have any members of
22 the public? Yes, sir.

23 MR. DOLLEY: Steven Dolley. I'm a
24 reporter with Platts.

25 MEMBER RYAN: You need to come on up here

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1 so that he can hear you through the mic. Thank you.

2 MR. DOLLEY: I'm Steven Dolley. I'm a
3 reporter with Platts Nuclear Publications. I write
4 for Inside NRC, Nucleonics Week, and Nuclear Fuel, and
5 since you're all at such an early stage in your
6 deliberations, these are really just points of
7 clarification. Who is the Chair of this panel? Mr.
8 or Dr. Hill?

9 CHAIR HILL: Mister.

10 MR. DOLLEY: Okay. And I'm sorry, sir.
11 I didn't catch your last name or your title at DTRA.

12 MEMBER NERUD: Nerud. N-e-r-u-d.

13 MR. DOLLEY: And your position at DTRA is?

14 MEMBER NERUD: I'm deputy branch chief,
15 Combat Support Assessments Division, Support Branch.

16 MR. DOLLEY: Combat Support Assessments
17 Division, Support Branch?

18 MEMBER NERUD: Yes.

19 MR. DOLLEY: Okay. And I missed on all
20 the calendar comparisons, the date of the next
21 meeting.

22 MR. McCRAW: November 27th, starting at
23 noon, through November 30th, ending at noon.

24 MR. DOLLEY: 27th through 30th. Thanks.
25 and last is really just a logistical comment. I don't

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1 know when the room for this meeting changed but there
2 was no public indication of that. It was very
3 difficult to find this, ended up with my arriving
4 late. So if at all possible, if maybe if a room
5 change is necessary in the future, if a notice could
6 be posted on the door of the original room and/or the
7 meeting contact could be available by phone the day of
8 the meeting, that would be very helpful for public
9 stakeholders.

10 MR. McCRAW: I personally apologize for
11 that. It was a late room change.

12 MR. DOLLEY: I'm well aware that you all
13 are very strapped for rooms and everything, and I know
14 that that's sometimes unavoidable.

15 MEMBER RYAN: This is a much better room
16 than the original choice, but again, we'll get that --

17 MR. DOLLEY: Yes, this is a nice room,
18 actually. So it's an upgrade.

19 MEMBER RYAN: Thanks for your comments.

20 MR. DOLLEY: It's like when they bump you
21 to another flight, they put you in Business.

22 MEMBER NERUD: Now who do you write for?

23 MR. DOLLEY: For Platt's. It's an energy
24 reporting service of McGraw-Hill and I'm in our
25 Nuclear Publications division and we publish three

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1 newsletters, Inside NRC and Nuclear Fuel, both of
2 which are bimonthly, and Nucleonics Week, which is a
3 weekly, and we also have a daily Nuclear News Flashes
4 Service.

5 MEMBER NERUD: Now are those like
6 government publications for --

7 MR. DOLLEY: No. We're a news service.
8 I can give you a card and I'd be glad to answer any of
9 --

10 MEMBER NERUD: I'd love to get a card.

11 MR. DOLLEY: Back at my seat. And I'll be
12 glad to give that to you.

13 MEMBER NERUD: Thank you.

14 MEMBER RYAN: Did you get a copy of the
15 materials?

16 MR. DOLLEY: I did.

17 MEMBER RYAN: Okay.

18 MR. DOLLEY: Thanks very much. Thanks for
19 fielding my questions.

20 MEMBER RYAN: Oh, absolutely.

21 MS. ROMANELLI: I'm a member of the public
22 as well. My name is Gloria Romanelli. I'm with the
23 American College of Radiology. I have a question
24 first. How does the Material Licensing Working Group
25 interact with this group? Will they have separate

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1 recommendations, or will your recommendations build
2 off of their recommendations?

3 MR. McCRAW: They're actually independent
4 of each other. So the Materials Program Working Group
5 will have its own set of recommendations.

6 MS. ROMANELLI: Okay.

7 MR. McCRAW: It's my duty, as the liaison
8 between the groups, to try to keep them informed of
9 what the other one's doing, to minimize the
10 duplication of efforts. Now understand, looking at
11 the material, there's going to be some overlap there.

12 MS. ROMANELLI: Right.

13 MR. McCRAW: But hopefully we'll be able
14 to avoid conflicting recommendations.

15 MS. ROMANELLI: Okay. But all three of
16 the working groups are going -- or the two working
17 groups and this group will report directly to the
18 Commission?

19 MR. McCRAW: This group actually reports
20 to the Office of the Executive Director for
21 Operations.

22 MS. ROMANELLI: Okay.

23 MR. McCRAW: The working groups report to
24 their steering committees, and then it has a
25 management chain above that.

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1 MS. ROMANELLI: Okay. Just so you know
2 what my interest is, again, I'm with the American
3 College of Radiology. Our members are the medical
4 users of radioactive material, and just because their
5 interests are so different from some of the other
6 players in the nuclear world, I just wanted to make
7 sure that their concerns were heard, and I was a
8 little disconcerted that I didn't see any medical
9 people on this committee, although I understand now,
10 why that was.

11 But I just wanted to ensure that the
12 decisions that you guys make don't adversely affect
13 the availability of that material for patients in the
14 U.S.

15 MEMBER RYAN: Oh, absolutely. No, I
16 appreciate the fact that, you know, a number of areas
17 I mentioned the Bexxar trial, which is a
18 radiopharmaceutical one.

19 MS. ROMANELLI: Right.

20 MEMBER RYAN: One thing that would help
21 us, and maybe you could help arrange that, I would
22 think it would be very beneficial if we could have a
23 briefing from somebody who's in the radioactive
24 materials part of the American College of Radiology,
25 and just give us sort of a spectrum of interests and

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1 uses, and educate us a little bit on, you know, types
2 and quantities, physical and chemical forms and uses
3 with patients, and all that kind of stuff, that would
4 help us better understand what the details are of
5 their interest. That I think would be helpful to us.

6 MS. ROMANELLI: Okay; excellent.

7 MEMBER RYAN: I know the Agreement State
8 programs as well as the NRC states, you know, medical
9 facilities, are licensed, so I don't think we want to
10 specifically exclude that discussion. In fact, I
11 would welcome, if you could work with us and get us a
12 briefing on that area.

13 MS. ROMANELLI: Absolutely.

14 MEMBER RYAN: And, you know, a good solid
15 couple hours, whatever you think is appropriate for us
16 to hear, we'd love to hear from you.

17 MS. ROMANELLI: Sounds great. Thank you
18 very much.

19 MEMBER RYAN: Okay.

20 CHAIR HILL: Sure, cause most of what
21 they're going to be talking about I think is short
22 half-life, rather than therapy.

23 MS. ROMANELLI: Is what?

24 MEMBER RYAN: Short half-life.

25 MS. ROMANELLI: Right.

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1 MEMBER RYAN: I think it's good to hear
2 that mentioned.

3 Are there any other members of the public?
4 No. You can tell by the badges.

5 MR. McCRAW: Well, if there are no other
6 comments for the record, I'll let you gentlemen decide
7 if you're ready to adjourn.

8 MEMBER RYAN: Any closing thoughts?

9 CHAIR HILL: Right now, I don't.

10 MEMBER NERUD: Nothing. Thanks for your
11 patience.

12 MEMBER RYAN: I think it's a good kickoff
13 meeting. We've accomplished a lot in terms of getting
14 ourselves organized and directed.

15 I appreciate the staff participating and
16 will get some insights as to what we're looking to
17 plow into, and we appreciate our guests from outside
18 interests and agencies coming in, and hopefully we'll
19 have more interest as you publish a note or two on
20 what we're up to.

21 And again, we welcome everybody's
22 participation, so --

23 CHAIR HILL: Our challenge has been laid
24 out.

25 MEMBER RYAN: That's right. With that,

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1 Mr. Chairman, I move we adjourn.

2 Second?

3 CHAIR HILL: Second. If no one else is
4 going to second it, I will. We are adjourned.

5 MEMBER RYAN: All right. Thank you.

6 [Whereupon, at 3:42 p.m., the
7 meeting was adjourned, to reconvene on November 27,
8 2007.]

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