



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

OFFICE OF THE  
INSPECTOR GENERAL

July 9, 2008

MEMORANDUM TO: R. William Borchardt  
Executive Director for Operations

FROM: Stephen D. Dingbaum **/RA/**  
Assistant Inspector General for Audits

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

REFERENCE: DIRECTOR, OFFICE OF FEDERAL AND STATE  
MATERIALS AND ENVIRONMENTAL MANAGEMENT  
PROGRAMS MEMORANDUM DATED APRIL 29, 2008

Attached is the Office of the Inspector General analysis and status of the recommendation as discussed in the agency's response dated April 29, 2008. Based on this response, recommendation 1 is closed. Recommendation 2 was previously closed. All recommendations in audit report OIG-06-A-10 are now closed.

If you have questions or concerns, please call me at 415-5915 or Sherri Miotla at 415-5914.

Attachment: As stated

cc: V. Ordaz, OEDO  
J. Arildsen, OEDO  
P. Shea, OEDO

**Audit Report**  
**Audit of the Development of the National Source Tracking System**  
**OIG-06-A-10**

**Status of Recommendation**

Recommendation 1: Before the NSTS rulemaking is finalized, conduct a comprehensive regulatory analysis for NSTS that explores other viable options, such as those in the Code of Conduct. The regulatory analysis should include an assessment of expanding materials tracked in NSTS to contain categories 3, 4, and 5; aggregation of sources; and bulk material.

Agency Response Dated  
April 29, 2008:

In your memorandum to me, dated November 16, 2007, you requested an updated response regarding status of recommendations from the audit of the development of the National Source Tracking System (NSTS). The staff conducted a comprehensive Regulatory Analysis in support of the proposed rule on expanding the NSTS. The proposed rule was published in the *Federal Register* on April 11, 2008 (73 FR 19749). The Regulatory Analysis is noted in the *Federal Register* as being available for public review; a complete copy of the Regulatory Analysis was included in the draft proposed rule sent to the Commission (SECY-08-0031, March 6, 2008). The Commission approved publication of the proposed rule in a Staff Requirements Memorandum dated March 26, 2008. The Regulatory Analysis considered several options including "No Action" and expanding the NSTS to include International Atomic Energy Agency (IAEA) Category 3 sources, 1/10<sup>th</sup> of Category 3 sources (referred to in earlier Commission documents as Category 3.5), and Category 4 sources. The Regulatory Analysis also included an option of requiring licensees to only follow inventory requirements. Based on its analysis of the options, the Regulatory Analysis concluded that the option of expanding the NSTS to include sources greater than or equal to 1/10<sup>th</sup> of the IAEA Category 3 thresholds was the preferred option. Based on completion of this Regulatory Analysis and publication of the proposed rule in the *Federal Register*, this recommendation has been addressed.

OIG Analysis:

The staff's Regulatory Analysis basically meets the intent of recommendation 1. This recommendation is now closed.

Status:

**Closed.**