

June 12, 2011

MEMORANDUM TO: Chairman Jaczko
Commissioner Svinicki
Commissioner Apostolakis
Commissioner Magwood
Commissioner Ostendorff

FROM: Cynthia A. Carpenter, Acting Director */RA/*
Office of Federal and State Materials
and Environmental Management Programs

SUBJECT: STATUS OF THE NATIONAL SOURCE TRACKING SYSTEM
ANNUAL INVENTORY RECONCILIATION AND RELATED
EFFORTS

Since the implementation of the National Source Tracking System (NSTS) in January 2009, the use and data integrity of information in NSTS has improved greatly. This improvement is a result of implementing lessons learned from last year's annual inventory reconciliation (AIR), development of a marketing plan to increase online usage of NSTS, development of a mapping tool, and continued interagency efforts. These improvements have resulted in better accountability of the sources and increased awareness of NSTS.

Per 10 CFR 20.2207(g) or equivalent Agreement State regulations, licensees are required to reconcile their inventories of nationally tracked sources against their inventories in NSTS. The reconciliation must be conducted during the month of January each year. Licensees reconciled their sources for the first time in January 2010. Using lessons learned from the 2010 AIR, staff increased communications with Agreement States and licensees and implemented both process and system changes in preparation for the 2011 AIR. These process and system changes resulted in better accountability of how the AIR was progressing and better assurance that licensees received the necessary information to conduct the AIR. These improvements resulted in a 90 percent completion rate by February 7, 2011¹, which was higher than the completion rate by February 2010. After this date, licensees who had not started the AIR were referred to the appropriate regulatory agency or NRC regional office due to potential noncompliance. As of June 1, 2011, only 2 licensees had not completed the AIR.

¹ A one week enforcement discretion period was granted due to the NSTS Help Desk fax line being out of service from January 27-28, 2011. This outage was as a result of bad weather conditions in the Washington, DC metropolitan area.

CONTACT: Irene Y. Wu, FSME/MSSA
(301) 415-1951

Staff has conducted a lessons learned on the 2011 AIR and has developed plans to improve for next year. Such plans include early communications with stakeholders, additional process changes, and clearer and more concise guidance to licensees in completing the AIR.

Staff has looked into improving the online use of NSTS by contracting with a marketing firm to gain insights from licensees and agency users. The first phase of the contract involved conducting interviews with various stakeholders. In November and December 2010, the marketing firm conducted interviews with 50 participants (43 licensees, 5 Agreement State contacts, 2 Federal officials) to gain insights on how to increase usage of the online NSTS. The market research was very insightful, and many of the respondents had positive feedback on NSTS:

"With online, bam you are done."

"It's very accurate, versus garbage-in and garbage-out when you scribble on paper and have someone on the other side enter the data."

"We have never gotten feedback from NSTS about getting or not getting the data but with the fax they always have questions."

"A lot of government regulators, managers and employees ... all ask questions ... and we're constantly on the move ... if we have to babysit the information, it takes away from other aspects and the online gives you peace of mind ... the fax form has a lot on it that I might not be able to fill out."

"Wholeheartedly (it is more timely) ... it makes us get online the day we receive and the day we transfer and get it done and not be the hassle it used to be."

From those interviews, the marketing firm identified several advantages of online reporting to NSTS as compared to alternative methods of reporting. The marketing firm has developed a marketing plan for NRC to leverage the advantages and improve upon increasing overall usage of the online system. The plan will target multiple audiences with multiple delivery methods to encourage licensees to use NSTS, increase awareness of the benefits, and improve everyone's knowledge of NSTS.

NSTS information is also being used for situational awareness by both internal and external stakeholders. In June 2010, staff began developing a mapping tool. This information is being shared with other agencies as part of NRC's duties and responsibilities under Executive Order 12333, United States Intelligence Activities.

As a result of these efforts and the increased controls, we have better accountability of Category 1 and 2 sources. NSTS is part of a comprehensive radioactive source control program for radionuclides of concern. Combined with the security measures imposed by orders on irradiator licensees, manufacturer and distributor licensees, and other material licensees, NSTS has improved security and control for radioactive sources and improved public health and safety. NSTS is providing a vital cornerstone to the Integrated Source Management Portfolio.

cc: SECY
EDO
OGC
OCA
OPA
CFO

As a result of these efforts and the increased controls, we have better accountability of Category 1 and 2 sources. NSTS is part of a comprehensive radioactive source control program for radionuclides of concern. Combined with the security measures imposed by orders on irradiator licensees, manufacturer and distributor licensees, and other material licensees, NSTS has improved security and control for radioactive sources and improved public health and safety. NSTS is providing a vital cornerstone to the Integrated Source Management Portfolio.

cc: SECY
 EDO
 OGC
 OCA
 OPA
 CFO

DISTRIBUTION: EDATS: FSME-2011-0065
 RidsEdoMailCenter RidsFsmeOd FSME r/f MSSA r/f IWu
 RidsSecyCorrespondenceMailCenter

ML111120184

OFC	FSME/DMSSA/	FSME/DMSSA	FSME/DMSSA	FSME/DMSSA
NAME	I. Wu	A. Giantelli	M. Delligatti	T. Reis (M.Delligatti for)
DATE	04/22/11	4/22/11	4/26/11	04/26/11
OFC	TechEd	FSME		
NAME	C. Poland	C.A. Carpenter		
DATE	4/26/11	6/12/11		

OFFICIAL RECORD COPY