NOTATION VOTE

RESPONSE SHEET

- TO: Annette Vietti-Cook, Secretary
- FROM: Chairman Gregory B. Jaczko

SUBJECT: SECY-11-0175 – PROPOSED RULE: AMENDMENTS TO MATERIAL CONTROL AND ACCOUNTING REGULATIONS (RIN 3150-AI61)

Approved X Disapproved Abstain

Not Participating _____

COMMENTS: Below ____ Attached X_ None ____

SIGNATURE

Entered on "STARS" Yes <u>x</u> No ____

Chairman Jaczko's Comments on SECY-11-0175, "Proposed Rule: Amendments to Material Control and Accounting Regulations"

I approve the staff's recommendation to publish this proposed rule to update, clarify, and strengthen the material control and accounting (MC&A) requirements for special nuclear material (SNM), with one exception as noted below. I appreciate the staff's work to improve the accountability and security of this material and I look forward to reviewing the public comments.

It is not clear to me why 350 grams is the appropriate threshold for these enhanced MC&A requirements. The SECY paper says that "...in terms of the amount of SNM necessary to form a critical mass, the activities of licensees who are only authorized to possess 350 grams or less of SNM carry less risk compared to the activities of licensees authorized to possess more than 350 grams of SNM." It is not, however, because of criticality concerns that these rules are being revised. As stated in the same SECY paper, part of the reason for these rule changes is "...to deter, detect, or aid in responding to any loss, theft, diversion, or misuse of SNM..."

I believe that NRC licensees and Agreement State licensees can, and should, be tracking to below 350 grams. The staff's previous Commission paper on this topic (SECY-11-0126) proposed requiring all licensees, regardless of quantity, to maintain current knowledge of each item via an item tracking system. I support this approach but staff should instead use a threshold of 1 gram rather than "any quantity." This would align with the reporting requirements that apply to more than 1 gram. As indicated by the staff in SECY-11-0126, licensees' business systems give them the ability to track SNM-containing items in near real time, and this has been demonstrated numerous times during inspections by NRC staff. Therefore, staff should revise the proposed rule language to apply to both NRC and Agreement State licensees, with a threshold of 1 gram of SNM, and highlight this area for public comment.