

August 14, 2014

The Honorable Robert P. Casey, Jr.  
United States Senate  
Washington, DC 20510

Dear Senator Casey:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am responding to your letter of June 19, 2014, regarding the recent Government Accountability Office (GAO) report entitled "Additional Actions Needed to Increase the Security of U.S. Industrial Radiological Sources." Among other matters, that report identified two cases of individuals with criminal histories, one of whom had been convicted of a "terroristic threat," who were granted access to radiological sources that could be used to produce a radiological dispersion device. You urged us to strengthen the trustworthiness and reliability (T&R) process for vetting employees and to promulgate a security order establishing disqualifying criteria in the T&R process.

In response to your request, enclosed is a copy of our response to the GAO report. The NRC has acknowledged GAO's recommendation to assess the T&R process to determine if it provides reasonable assurance against an insider threat, and the agency has committed to reevaluate that process. Specifically, the NRC plans to conduct a preliminary review of the effectiveness of the requirements of Title 10 of the *Code of Federal Regulations* Part 37, "Physical Protection of Category 1 and Category 2 quantities of Radioactive Material" (Part 37). The GAO audit did not consider the new Part 37 requirements, which further enhance security requirements for these materials, because Part 37 came into effect after the GAO audit. The purpose of the NRC's review will be to determine whether any additional security measures, guidance documents, rulemaking changes, or licensee outreach efforts are appropriate. The reevaluation of the T&R process will be conducted as part of this effort.

In May of this year, the NRC published additional guidance to supplement our existing implementation guidance for the Part 37 rule, which currently provides information on potential indicators that licensees may consider in making a T&R determination. That supplemental guidance, "Physical Security Best Practices for the Protection of Risk Significant Radioactive Material" (NUREG-2166), focuses on areas of concern that licensees identified during the inspection process, including best practices on T&R determinations.

At this time, we do not have evidence of a programmatic problem with the T&R process. Nevertheless, in light of the concern GAO has raised, we will begin to review inspection results, based on current regulatory requirements, to determine if a problem requiring additional attention exists. Given the need to collect and evaluate data over the next year or two, we cannot draw a clear conclusion about the need for specific additional actions at this time.

- 2 -

I appreciate the opportunity to have met with you recently to hear your perspective on this and other NRC-related issues. Our Office of Congressional Affairs (OCA) will keep your staff apprised of our progress and findings. If you need additional information, please contact me or Eugene Dacus, Acting Director of OCA, at (301) 415-1776.

Sincerely,

***/RA/ (William C. Ostendorff for)***

Allison M. Macfarlane

Enclosure:  
As stated