

**Gallagher, Carol**

**Subject:** FW: NNSA's response to FRN requesting comment on "Financial Planning for Management of Radioactive Byproduct Material"  
**Attachments:** NNSA Response to NRC on Financial Assurances 10-21-2015.pdf

-----Original Message-----

From: Butler, Nicholas [mailto:Nicholas.Butler@nnsa.doe.gov]  
Sent: Wednesday, October 21, 2015 5:16 PM  
To: Shaffner, James <James.Shaffner@nrc.gov>; Whited, Ryan <Ryan.Whited@nrc.gov>  
Cc: May, Melanie <Melanie.May@hq.doe.gov>; Kliczewski, Theresa <Theresa.Kliczewski@em.doe.gov>; Taplin, Temeka <Temeka.Taplin@nnsa.doe.gov>; Ferguson, Joy <Joy.Ferguson@NNSA.DOE.Gov>; Barlow, Maegon <Maegon.Barlow@nnsa.doe.gov>; Atkins, Art <Art.Atkins@nnsa.doe.gov>; Hunsicker, Erika <Erika.Hunsicker@nnsa.doe.gov>  
Subject: [External\_Sender] NNSA's response to FRN requesting comment on "Financial Planning for Management of Radioactive Byproduct Material"

Jim, Ryan,  
Please find attached the Department of Energy's National Nuclear Security Administration Office of Global Material Security (GMS) response to the Nuclear Regulatory Commission Federal Register Notice requesting stakeholder comment on Federal rulemaking Docket ID NRC-2015-0182, "Financial Planning for Management of Radioactive Byproduct Material". We graciously appreciate the extension which afforded us the time to have the response reviewed by others within the Department.

Best,  
Nick

Nicholas Butler | Deputy Domestic Program Director | Office of Radiological Security National Nuclear Security Administration  
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Template = ADM - 013  
E-RIDS= ADM -03  
Add= R. Whited (ARW2)  
J. Shaffner (J9511)



Department of Energy  
National Nuclear Security Administration  
Washington, DC 20585



10/21/2015

Jim Shaffner  
Ryan Whited  
U.S. Nuclear Regulatory Commission  
ATTN: Rulemakings and Adjudications Staff  
Docket ID NRC-2015-0182  
Washington, DC 20555

Dear Mr. Shaffner and Mr. Whited,

I am pleased to provide a response to the Nuclear Regulatory Commission (NRC) Federal Register Notice (FRN) requesting stakeholder comment in Federal rulemaking Docket ID NRC-2015-0182, "Financial Planning for Management of Radioactive Byproduct Material" on behalf of the Department of Energy's (DOE) National Nuclear Security Administration (NNSA) Office of Global Material Security (GMS). These comments are also consistent with the views of the DOE Office of Security Assistance, and Office of Disposition Planning & Policy. All named offices support the NRC conduct of a financial scoping study to determine if financial planning requirements for the decommissioning and end-of-life management for radioactive byproduct material are necessary. Financial planning could help to address several significant commercial sealed source management challenges that have long been a concern from a national security, public health, and safety perspective, including timely disposal of disused sources and sealed source lifecycle cost transparency.

Sealed source-specific financial planning and financial assurance requirements have the potential to both encourage and facilitate the timely disposal of these and other common Category 1, 2 and 3 sealed sources. Financial assurance provisions would ensure that licensees have adequate funds available for timely disposal once sources reach the end of their useful life or become unwanted. As described in Recommendation 2 of the *2014 Report of the Radiation Source Security and Protection Task Force*, financial assurance considerations should include the cost of packaging, transport, and commercial disposal, when available. Even when commercial disposal is unavailable, financial planning and financial assurances may still include processing, packaging, and transportation costs related to storage, recycle, or return to the manufacturer.

Financial planning requirements could also improve the lifecycle management of sealed sources more generally. Financial planning at the time of purchase promotes sealed source licensees to assess the full lifecycle cost and benefits of the sealed sources they are considering for use, including costs related to source disposition at the end of its use-life. For example, financial planning requirements could encourage both the seller and potential purchaser of sealed sources to clarify the conditions under which a device may be accepted for return to the manufacturer,



including the costs to each party, and those under which it must be disposed by the licensee prior to completing the transaction. Similarly, such requirements could encourage licensees assessing costs related to sources that remain without commercial disposal pathways to be aware of any reuse or recycle options, including the transportation, processing, or other related costs. This type of transparency would also enable licensees to more accurately compare the costs and benefits of devices containing sealed radioactive sources to non-radioactive replacements which are becoming increasingly available, thereby promoting permanent risk reduction.

In addition, financial planning mechanisms that require licensees to be financially prepared and able to appropriately disposition disused and unwanted sources would help ensure that responsibility for commercial sealed source management rests with those who benefit economically from the use of the material. National security concerns after September 11, 2001, as well as the significant constraints on commercial LLRW disposal options, resulted in an increase in government involvement in efforts to address commercial sealed source management and disposal challenges; however, increased government assistance is not sustainable. Financial planning could help ensure licensees are prepared to utilize available commercial disposal options, thereby helping to transition the full lifecycle management costs for sealed sources to licensees and limiting the need for government involvement. As noted in the *2014 Report of the Radiation Source Security and Protection Task Force*, “[s]ealed source disposal arrangements between private entities (such as licensed users, brokers, transporters, and disposal facilities) should function efficiently and effectively without government involvement beyond the regulatory frameworks and supporting activities that ensure the security, health, and safety of licensees and the public.”<sup>1</sup>

We appreciate the opportunity to provide input on this important issue, and encourage the NRC to proceed with rulemaking.

Sincerely,



Arthur Atkins  
Assistant Deputy Administrator  
Office of Global Material Security

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<sup>1</sup> U.S. Nuclear Regulatory Commission, *2014 Radiation Source Protection and Security Task Force Report*, Washington DC, 2014, p. 32.