



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

October 18, 2016

MEMORANDUM TO: Commissioner Baran

FROM: Annette Vietti-Cook, Secretary */RA/*

SUBJECT: COMJMB-16-0001 – PROPOSED STAFF RE-EVALUATION OF  
CATEGORY 3 SOURCE ACCOUNTABILITY

This memorandum is to inform you that all Commissioners have responded to your proposal regarding Category 3 source material accountability.

The attached SRM provides staff direction on this issue.

This completes action on COMJMB-16-0001.

Enclosure:  
As stated

cc: Chairman Burns  
Commissioner Svinicki  
EDO  
OGC



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

October 18, 20016

MEMORANDUM TO: Victor M. McCree  
Executive Director for Operations

FROM: Annette L. Vietti-Cook, Secretary */RA/*

SUBJECT: STAFF REQUIREMENTS – COMJMB-16-0001 – PROPOSED  
STAFF RE-EVALUATION OF CATEGORY 3 SOURCE  
ACCOUNTABILITY

Given the agency's operating experience with the higher-risk sources, and in light of the findings by the Government Accountability Office (GAO), staff should evaluate whether it is necessary to revise our regulations or processes governing source protection and accountability to continue to ensure adequate protection of public health and safety.

The staff should submit a notation vote paper to the Commission that includes the following:

- 1) an evaluation of the pros and cons of different methods of requiring transferors of Category 3 sources to verify the validity of a transferee's license prior to transfer;
- 2) an evaluation of the pros and cons of including Category 3 sources in the National Source Tracking System;
- 3) an assessment, based on these evaluations, of these and any additional options that the staff identifies for addressing the source accountability recommendations made by the GAO;
- 4) a vulnerability assessment which identifies changes in the threat environment between 2009 and today that argue in favor of or against expansion of the NSTS to include Category 3 sources;
- 5) a regulatory impact analysis of the accrued benefit and costs of the change, to include impacts to the NRC, Agreement States, non-Agreement States, and regulated entities;
- 6) a discussion of potential regulatory actions that would not require changes to our regulations that arose from or were considered by the staff working groups, to include changes to guidance, training, and other program improvements such as more closely monitoring the implementation of the staff recommendations using the Integrated Materials Performance Evaluation Program process;
- 7) any other factors arising from the staff's currently ongoing assessment that the staff concludes would bear on the Commission's deliberation on the proposed change.

The staff's evaluations for the notation vote paper should begin after completion of the ongoing broader evaluation of the overall source protection and accountability strategy for sources due to the Congress at the end of this year.

The results of the assessment of the security requirements in 10 CFR Part 37, as required by the Energy and Water Development and Related Agencies Appropriations Bills for Fiscal Year 2015, should be used to inform the staff's evaluation.

In conducting these evaluations, the staff should assess the risks posed by the aggregation of Category 3 sources into Category 2 quantities and consider the current views of our Agreement States partners.

The staff should continue to collaborate with its Agreement State partners, non-Agreement States, regulated entities, public interest groups, industry groups such as those in the medical and industrial fields, and the reactor community, to fully assess the regulatory impact for any recommendations made in the notation vote paper.

The staff's evaluation and notation vote paper should be provided to the Commission within 10 months of the issuance of this Staff Requirements Memorandum.

cc: Chairman Burns  
Commissioner Svinicki  
Commissioner Baran  
OGC  
CFO  
OCA  
OPA  
ODs, RAs, ACRS, ASLBP (via E-Mail)  
PDR