

**Official Transcript of Proceedings**  
**NUCLEAR REGULATORY COMMISSION**

Title: Category 3 Source Security and Accountability  
Public Meeting and Webinar

Docket Number: (n/a)

Location: Rockville, Maryland

Date: Tuesday, January 31, 2017

Work Order No.: NRC-2828

Pages 1-117

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NUCLEAR REGULATORY COMMISSION

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CATEGORY 3 SOURCE SECURITY AND ACCOUNTABILITY

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PUBLIC MEETING AND WEBINAR

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TUESDAY

JANUARY 31, 2017

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The meeting was held in the Commission Hearing Room, One White Flint North, 11555 Rockville Pike, Rockville, Maryland, at 1:00 p.m., George Smith, Facilitator presiding.

PRESENT

- GEORGE SMITH, Facilitator
- SABRINA ATACK, Branch Chief, Source Management and Protection
- DUNCAN WHITE, Senior Health Physicist

IRENE WU, Project Manager

ALSO PRESENT

- CAROLINE ALEXANDER, ANS
- NIMA ASHKEBOUSSI, NEI
- ROLAND BACKHAUS, Pillsbury

1 DOUGLAS BOLLOCK, NRC/NMSS  
2 DAN COLLINS, NRC  
3 CARRIE CRAWFORD, NMSS  
4 GINA DAVIS, Project Manager  
5 LINDA EUSEBIO, NMSS  
6 LYNNE FAIROBENT  
7 MICHAEL FULLER, QSA Global  
8 HIPOLITO GONZALEZ, NRC/NMSS  
9 STEVE HARRISON\*, Virginia Office of Radiological  
10 Health  
11 VINCENT HOLAHAN, NRC/NMSS  
12 MANUEL JIMENEZ, NRC  
13 WILLIE LEE, NRC/NMSS  
14 RALPH LIETO\*, Saint Joseph Mercy Health System  
15 KIM LUKES, NMSS/DNMS  
16 RICHARD MARTIN, AAPM  
17 JOHN MILLER, International Isotopes  
18 JENNIFER OPILA\*, Colorado Radiation Program  
19 ERNESTO QUINONES, NMSS/MSTR  
20 JANET SCHLUETER, NEI  
21 PHILLIP SCOTT\*, State of California  
22 DARYL SHAPIRO, Pillsbury  
23  
24 \* = present via telephone  
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C-O-N-T-E-N-T-S

Welcome and Opening Remarks

George Smith . . . . . 4

The Public Meeting Process

George Smith . . . . . 6

A Brief Background

Irene Wu . . . . . 8

Public Comment . . . . . 14

Upcoming Meeting Information . . . . . 115

Adjournment . . . . . 117

P-R-O-C-E-E-D-I-N-G-S

1:00 p.m.

OPERATOR: Okay. I'm showing us right on top of the hour. Are we ready to get started?

MR. SMITH: We are. Thank you, Mia.

OPERATOR: Okay. It will be just a moment. I'll make the introduction.

Welcome and thank you for standing by. At this time all participants are in a listen-only mode. During the question and answer sessions please press star and one. Be sure to un-mute your phone and record your name clearly.

I'd like to turn the meeting over to Mr. George Smith.

You may go ahead.

MR. SMITH: Okay. Good afternoon. I'd like to thank you all for participating in today's public meeting and webinar on Category 3 Source Security and Accountability.

Again, my name is George Smith and I am the facilitator for today's meeting.

We also have members of the NRC Agreement State Category 3 Source Security and Accountability Working Group in attendance here in the room and on the phone that may ask clarifying questions to ensure

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1 we accurately capture your comments.

2 We're going to start today with a safety  
3 message for the participants here in the meeting room.  
4 In the event of an emergency we have an emergency exit  
5 -- well, emergency exit doors. The location to go,  
6 you down Marinelle Road and to Citadel Avenue. Irene  
7 Wu or Duncan White will account for everyone that's in  
8 the room. If you're not going to stay with the group,  
9 please let them know so they can account for you all.

10 Okay. So also, with the exception of the  
11 first floor, the rest of the building here, Building  
12 1 and Building 2, you have to be on a escort. So if  
13 you go past the security guards, you have to be on a  
14 escort if you're in the NRC facility.

15 If you need to use the restroom, you can  
16 go out the door. To the left is the women's restroom  
17 and to the right is the men's restroom.

18 And to minimize interruptions we ask that  
19 everyone put their cell phones on courtesy mode at  
20 this time. That's silent or vibrate.

21 We also understand that you have important  
22 phone calls to either make or take. If you do have to  
23 make or take a phone call, please step outside the  
24 room.

25 And also we ask that you keep the sidebar

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1 conversations to a minimum. That will allow us to  
2 capture the information. Allegra is our -- collecting  
3 information today. She's transcribing the meeting.  
4 And we'd like to have everyone's comments accurately  
5 taken in today by the meeting leaders.

6 Also if you're on the phone and you would  
7 like to see the slides, please log onto the webinar in  
8 order to follow along with the slide presentation.  
9 You can go on the public meeting notice web site to  
10 find the webinar.

11 Okay. Slide 2. So the agenda for this  
12 meeting is as follows: So first we're going to go  
13 over the public comment process. Next we will go --  
14 we'll give a brief background on how we got here and  
15 why we're asking for your inputs. Then we go over the  
16 different comment areas and open the floor for  
17 comments on each of the questions in the *Federal*  
18 *Register* notice. At the end of the meeting we'll  
19 provide information on the remaining public meetings  
20 and webinar dates and then close the meeting.

21 Next slide, please. So this is a Category  
22 3 public meeting, so we are soliciting feedback.  
23 Again, we are transcribing this meeting today. Your  
24 comments during the public meeting and those submitted  
25 to the NRC will be considered by the NRC in preparing

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1 the report to the Commission as directed by the Staff  
2 Requirements Memorandum for COMJMB-16-0001.

3 The NRC does not intend to provide  
4 specific responses to comments or other information  
5 submitted in response to your requests. So please do  
6 not provide any non-public, official-use-only,  
7 safeguard or other classified information today either  
8 in your comments or any kind of questions you may  
9 have, or when you're submitting that information to  
10 the NRC by the web or via mail.

11 So the process we'll take, for those who  
12 are on the phone, the operator will place you in a  
13 queue if you have a comment to provide, and then the  
14 operator will inform you when you are allowed to  
15 present your comment. So in order to provide as many  
16 participants as possible the opportunity to  
17 participate in the meeting today, we ask that you be  
18 mindful of your comments to being succinct. Also,  
19 based on the amount of participants that we have in  
20 the meeting, those who would like to make comments, we  
21 may have to limit the time period that you're allowed  
22 to make your comments.

23 Slide 4. So if you have -- if you don't  
24 have an opportunity to provide your comments today or  
25 if you'd like to make additional comments, you may



1 submit your comments to the NRC by March 10th via the  
2 web. It's <http://www.regulations.gov>. And the docket  
3 number is ID -- docket ID number is NRC 2016-0276.  
4 You can also look at the FRN to get the information  
5 for submitting the information via mail. But the  
6 important piece, when you submit your comments via  
7 mail, please include the docket ID number, which is  
8 again NRC 2016-0276. And please put that information  
9 in the subject line.

10 So now at this time I will turn the  
11 meeting over to Ms. Irene Wu.

12 MS. WU: Okay. Thank you, George.

13 My name is Irene Wu and I am a project  
14 manager at the Nuclear Regulatory Commission and the  
15 co-chair of the NRC Agreement State Working Group that  
16 is conducting this reevaluation.

17 As you may know, the Commission issued a  
18 Staff Requirements Memorandum for COMJMB-16-0001 dated  
19 October 18th, 2016, which directed the NRC staff to  
20 take specific actions to evaluate whether it is  
21 necessary to revise NRC regulations or processes  
22 governing Category 3 source protection or -- and  
23 accountability. However, this is not the first time  
24 that we reviewed strategies for the protection and  
25 accountability of Category 3 sources.

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1           In 2007 the Government Accountability  
2 Office, or GAO, conducted an investigation on NRC's  
3 Material Licensing Program and was able to obtain a  
4 radioactive materials license using a fictitious  
5 company and placed orders that would have resulted if  
6 actually obtained in receipt of an aggregated Category  
7 3 quantity. After the 2007 investigation the NRC and  
8 Agreement States made a number of significant changes  
9 to strengthen the licensing and regulatory processes  
10 to prevent individuals who may have malevolent intent  
11 from obtaining a radioactive materials license.

12           In 2009 licensees began reporting Category  
13 1 and 2 source information to the National Source  
14 Tracking System, or NSTS. Staff had proposed to  
15 expand reporting to the NSTS to include Category 3  
16 sources, however, the Commission did not reach a  
17 decision on the proposed rulemaking and the final rule  
18 was not approved.

19           In 2014 GAO initiated another audit of the  
20 Materials Licensing Program to determine whether the  
21 licensing vulnerabilities identified in its 2007  
22 investigation had been addressed by the NRC and  
23 Agreement States. As part of its audit GAO rented  
24 storefront warehouse space to demonstrate a fictitious  
25 company's legitimacy during pre-licensing visits. The

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1 GAO was successful in one of three attempts and  
2 acquired a license for a Category 3 well-logging  
3 source which they used to place one order for a  
4 Category 3 source.

5 GAO then altered the license and used it  
6 to place a second order for an additional Category 3  
7 source. In doing so, GAO effectively demonstrated the  
8 ability to obtain an aggregated Category 2 quantity of  
9 material. GAO then published its final report for the  
10 material licensing audit and investigation in July of  
11 2016.

12 In August of 2017 we plan to submit a  
13 notation vote paper to the Commission with our  
14 recommendations. It is also relevant to note that  
15 recently we completed our comprehensive review of 10  
16 CFR Part 37, which are the physical protection  
17 requirements for Category 1 and 2 quantities of  
18 radioactive material.

19 That report, which is publicly available,  
20 was sent to Congress in December of 2016 and the  
21 results of that assessment will inform our evaluation  
22 of Category 3 source security and accountability,  
23 which is currently underway.

24 That was a quick high-level overview of  
25 how we got here. And I've included some resources on

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1 this slide if you want to delve further into the  
2 background.

3 Next slide, please. The specific tasks  
4 outlined in the SRM that will be addressed in the  
5 notation vote paper are as follows: An evaluation of  
6 the pros and cons of different methods of verifying  
7 the validity of a license prior to transfer; an  
8 evaluation of the pros and cons of including Category  
9 3 sources in the NSTS; an assessment of any additional  
10 options for addressing the source accountability  
11 recommendations made by the GAO; a vulnerability  
12 assessment which identifies changes in the threat  
13 environment between 2009 and today that argue in favor  
14 or against expansion of the NSTS to include Category  
15 3 sources; a regulatory impact analysis of the accrued  
16 benefit and costs of the change to include impacts to  
17 the NRC, Agreement States, Non-Agreement States and  
18 regulated entities; a discussion of potential  
19 regulatory actions that will not require changes to  
20 our regulations to include changes to guidance,  
21 training and other program improvements; any other  
22 factors to help inform the Commission's decision; an  
23 assessment of the risks posed by aggregation of  
24 Category 3 sources into Category 2 quantities; and  
25 collaboration with Agreement State partners, Non-

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1 Agreement States, regulated entities, public interest  
2 groups, industry groups and the reactor community to  
3 fully assess the regulatory impact of any  
4 recommendations to be made in the notation vote paper.

5 Next slide, please. So some of the  
6 enhancements that are under consideration for this  
7 reevaluation are: The verification of Category 3  
8 licenses through the License Verification System, or  
9 LVS, or the regulatory authority as is done with  
10 Category 1 and 2 licenses; the inclusion of Category  
11 3 sources in NSTS as is done with Category 1 and 2  
12 sources; and expanding physical security requirements  
13 to include Category 3 quantities of radioactive  
14 material along with Category 1 and 2 quantities of  
15 radioactive material.

16 For those unfamiliar with these systems  
17 let me provide a brief explanation. LVS is a web-  
18 based system that enables authorized licensees to  
19 confirm that a license is valid and accurate and that  
20 a licensee is authorized to acquire quantities and  
21 types of radioactive materials being requested. And  
22 NSTS is also a web-based system. This system tracks  
23 high-risk radioactive sources from the time they are  
24 manufactured or imported through the time of their  
25 disposal or export, or until they decay enough to be

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1 no longer of concern.

2 So these potential enhancements form the  
3 basis for the questions in the *Federal Register* notice  
4 that we issued on this subject, and that was published  
5 back on January 9th, 2017.

6 Next slide, please. The FRN lists 22  
7 questions that are separated into sections based on  
8 the topics and applicability to relevant stakeholders.  
9 These include: General questions related to license  
10 verification, general questions related to the  
11 National Source Tracking System; specific questions  
12 for licensees related to license verification;  
13 specific questions for licensees related to NSTS;  
14 specific questions for Agreement States related to  
15 license verification; specific questions for Agreement  
16 States related to NSTS; and then other questions.

17 Next slide. So before we move to the  
18 comment portion of this meeting I did want to include  
19 a slide to show the different thresholds for Category  
20 1, 2 and 3 quantities of radioactive material. As you  
21 can see from this table, the Category 3 threshold is  
22 greater than 1/10th of the Category 2 threshold, but  
23 less than the Category 2 threshold.

24 And also of note is that the list of  
25 radionuclides that are currently subject to physical

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1 security requirements in 10 CFR Part 37 is different  
2 than the list of radionuclides that are included in  
3 NSTS. The four radionuclides highlighted in the table  
4 are the radionuclides that are not included -- that  
5 are -- excuse me, that are included in NSTS, but are  
6 not subject to 10 CFR Part 37.

7 So I will now turn the meeting back over  
8 to George to solicit comments from meeting  
9 participants.

10 MR. SMITH: Okay. Thank you, Irene.

11 So now we'll transition into the comment  
12 portion of the meeting. As a reminder, we do not plan  
13 today to provide responses to stakeholders' feedback  
14 during the meeting, but we'll use your comments to  
15 inform our evaluations and recommendations.

16 Please do not provide any non-public,  
17 official-use-only, safeguard and/or classified  
18 information related to a specific facility. And as a  
19 reminder, this meeting is being transcribed.

20 Before providing comments today please  
21 state your name and the name of the organization, if  
22 any, you're representing.

23 The first set of questions are general  
24 questions related to the license verification. So  
25 I'll go over the questions, especially for those on

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1 the phone who are not logged into the web and cannot  
2 see the slide presentation.

3 So question 1: Should the current method  
4 for verification of license prior to transferring  
5 Category 3 quantities of radioactive material listed  
6 in 10 CFR 30.41(d)(1)-(5), 10 CFR 40.51(d)(1)-(5), and  
7 10 CFR 70.42(d)(1)-(5) be changed such that only the  
8 methods prescribed in 10 CFR 37.71 are allowed.

9 So we'll start with -- to solicit any  
10 comments here in the room. We do have microphones set  
11 up. If you have comments, please come to the  
12 microphone so Allegra can capture your comments as  
13 she's transcribing.

14 Are there any comments in the room with  
15 this question?

16 (No audible response.)

17 MR. SMITH: Okay. Mia, are there any  
18 comments on the telephone regarding this question?

19 OPERATOR: If you have a question from the  
20 phone, please press star and one and record your name.  
21 Again, star and one.

22 MR. SMITH: And while we're waiting if you  
23 decide that you have a question, we can always take a  
24 pause and allow you to come up to the microphone.

25 (Pause.)

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1 MR. SMITH: Gina, any questions on the  
2 web?

3 (No audible response.)

4 OPERATOR: And we do have one from the  
5 phone when you're ready.

6 MR. SMITH: Okay. Great. As a reminder,  
7 please state your name and the organization if you are  
8 representing an organization.

9 OPERATOR: You may go ahead and ask your  
10 question. Please state your name and organization.

11 (No audible response.)

12 OPERATOR: Hello?

13 (No audible response.)

14 OPERATOR: There was no one there.

15 MR. SMITH: Okay. No problem.

16 OPERATOR: No more questions from the  
17 phone.

18 MR. SMITH: Thank you.

19 Gina?

20 MS. DAVIS: No questions from the webinar.

21 MR. SMITH: Oh, no questions? Are there  
22 any kind of clarifications you guys would like to  
23 make, any type of feedback you've seen thus far from  
24 these type questions or clarifications of what you're  
25 looking for?

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1 MR. WHITE: This is Duncan White. The  
2 only thing I was going to comment about, the 30.41 and  
3 the other sections for source material and special  
4 nuclear material. These transfer requirements date  
5 back to the '70s. And again, the methods that are  
6 listed in the regulations are -- for the most part may  
7 not be used much anymore. So again, for terms of your  
8 comments or input, again that's something we're  
9 looking for that the current -- the requirements  
10 currently in the regulations really do not reflect  
11 current practice and they really don't reflect the use  
12 of requirements in Part 37 at this time. So if you  
13 get any input on that, we would appreciate it.

14 MR. SMITH: Great. We'll give it a couple  
15 of more minutes.

16 Mia, are there any questions on the phone?

17 OPERATOR: No questions holding on the  
18 phone.

19 MR. SMITH: Great. Thank you.

20 In the room?

21 MR. ASHKEBOUSSI: Nima Ashkeboussi, NEI.  
22 Irene, do you have an estimate on the number of new  
23 licensees that only possess Category 3 sources that  
24 would be impacted in this analysis, those licensees  
25 that would now have to report that aren't reporting or

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1 licensees that may have to implement security  
2 requirements if you do go down a path of requiring Cat  
3 3s to have enhanced security? Any estimates on that  
4 from the NRC and Agreement State side?

5 MR. QUINONES: Yes, this is Ernesto  
6 Quinones. I am, or I was the chair of a working group  
7 that was developed as a result of the 2015 GAO audit  
8 on the NRC Licensing Program, and we estimated,  
9 according to the Agreement States, that there are  
10 around like 5,500 Category 3 licensees.

11 MR. WHITE: This is Duncan White. That  
12 would be NRC and Agreement State license?

13 MR. QUINONES: NRC and Agreement States,  
14 yes.

15 MR. SMITH: Great. Thank you.

16 Okay. Great.

17 MS. SCHLUETER: Janet Schlueter, NEI. I'm  
18 going to add to the general question road we're going  
19 down just for a second. Back on the slide that has  
20 the SRM, could you speak to how the staff intends to  
21 complete the vulnerability assessment, item 4, that's  
22 in the SRM and on your diagram later?

23 MS. WU: Yes, so we're in the early stages  
24 of that, but right now we are looking at some previous  
25 work that has -- previous vulnerability assessments to

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1 help inform our analysis here. So the majority of the  
2 work we're doing is looking at old ones and making  
3 sure that they cover all of the different type of  
4 licensees.

5 MS. SCHLUETER: So you intend to complete  
6 that in order to provide that information in the  
7 August SECY paper? You would be done by that?

8 MS. WU: Correct.

9 MS. SCHLUETER: Okay. So at this time do  
10 you anticipate any public meetings that would be  
11 targeted just on the VA, the vulnerability assessment?

12 MS. WU: No, we're -- right now the --  
13 these meetings, these series of public meetings and  
14 webinars is to get feedback on all of this. But the  
15 -- we aren't planning on doing any separate public  
16 meetings on the VA.

17 MS. SCHLUETER: Okay. Well, I just ask  
18 because when I went through the slides quickly just  
19 sitting here now, I didn't see any that were targeted  
20 to that SRM task. So I wasn't sure how you're going  
21 about the task, the scope, the timing or whether or  
22 not there would be some additional opportunity for  
23 input on it, because there's no slides that speak to  
24 that or give anymore context or scope.

25 MS. WU: Right. Well, we appreciate any

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1 feedback that we can get on all of these tasks. But,  
2 the -- yes, the public meetings are focused on the  
3 questions in the FRN.

4 MS. SCHLUETER: Okay. Thank you.

5 MR. SMITH: Gina, any questions? If it's  
6 not --

7 MS. DAVIS: No questions from the webinar.

8 MR. SMITH: Okay. Great.

9 So we're going to move onto question 2 if  
10 there are no questions.

11 Mia, are there any questions? Anyone in  
12 the queue on the phone line?

13 OPERATOR: No questions on the phone.

14 MR. SMITH: Okay. We're going to move on  
15 to question 2 from the FRN.

16 Would there be an increase in safety  
17 and/or security if the regulations were changed to  
18 only allow license verification through the NRC  
19 License Verification System, LVS, or to transferee's  
20 license issuing authority for transfers of Category 3  
21 quantities of radioactive material? If so, how much  
22 of an increase would there be?

23 Mia, anyone in the queue online?

24 OPERATOR: Yes, we have one. One moment.

25 MR. SMITH: Thank you.

1 OPERATOR: You may go ahead with your  
2 January. Please state your name and your  
3 organization.

4 MR. LIETO: Ralph Lieto. My question is  
5 -- relates to the LVS. Is this system active? And  
6 for individuals such as myself who have never used or  
7 are aware of this, how exactly does this function if  
8 Category 3 gets initiated?

9 MS. WU: Okay. So this is Irene Wu. Yes,  
10 the system -- the License Verification System is  
11 active. It's been active since 2013. And right now  
12 the way it works is prior to a transfer occurring a  
13 licensee would be able to log onto the system if they  
14 had access and enter some basic information about the  
15 recipients licensee. And if that information is  
16 correct, the license image would get pulled up on the  
17 screen.

18 Licensees can also meet their license  
19 verification requirements using a manual process, and  
20 that is using a form that's available on our public  
21 web site. We also have additional information on the  
22 License Verification System on the public web site.

23 MR. SMITH: Ralph, also are you  
24 representing an organization?

25 MR. LIETO: No, just my licensee.

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1 MR. SMITH: Great. Thank you. You say  
2 your licensee?

3 MR. LIETO: Yes.

4 MS. WU: And, Ralph, I'll add that to get  
5 access to the License Verification System you do have  
6 to go through a credentialing process and that  
7 information, all of that is available on our public  
8 web site as well.

9 MR. LIETO: I -- you know, again, having  
10 -- not having used it, a couple questions, follow-up  
11 questions, if I may. So how long does this  
12 credentialing process take? And once you're  
13 credentialed, when you go to make a -- have a source  
14 say transferred or received; I'm a medical licensee,  
15 how long does that process take? And is this a 24/7  
16 availability?

17 MS. WU: Right, so the credentialing  
18 process takes approximately a month. It can be done  
19 faster depending on how quickly you -- the applicant  
20 responds to the emails that are part of the process.  
21 There's an identity proofing step as well as a need to  
22 know and employment verification step. And the  
23 systems, both the National Source Tracking System and  
24 the License Verification System are available online  
25 24/7.

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1 MR. SMITH: And one follow-up question,  
2 Ralph. Who's your licensee?

3 MR. LIETO: I'm with Saint Joseph Mercy  
4 Health System --

5 MR. SMITH: Great. Thank you.

6 MR. LIETO: -- Ann Arbor, Michigan.

7 MR. SMITH: Okay. Great. Thank you.

8 Oh, please?

9 MS. FAIROBENT: Lynne Fairobent, member of  
10 the public. To follow up Ralph's question on the LVS,  
11 is it widely used by all Agreement States currently?

12 MS. WU: Yes. Again, we have folks who  
13 use the system directly because they've been  
14 credentialed to use the system, or they're using the  
15 manual process.

16 MS. FAIROBENT: So all Agreement State  
17 licenses are in the LVS?

18 MS. WU: So the licenses are stored in the  
19 Web-Based Licensing System and we have all but one  
20 Agreement State agency's license information in there.  
21 And then, so if a license verification is being done,  
22 on one of those licenses they'll have to follow the  
23 manual process.

24 MS. FAIROBENT: Okay. And that's for all  
25 categories or just Category 1 and 2 material?

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1 MS. WU: One and two.

2 MR. SMITH: Just a quick --

3 MS. FAIROBENT: So you -- just to clarify  
4 then, the Agreement States' Category 3 licenses would  
5 have to be uploaded to the system? They're not  
6 currently accessible now?

7 MS. WU: That's correct. There are a few  
8 states that are using their -- our Web-Based Licensing  
9 System as their licensing system, in which case that  
10 information for all categories is in WBL, but for the  
11 majority of states that are just providing us their  
12 Category 1 and 2 licenses, that if were to go forward  
13 with this, we would need Category 3 licenses in there  
14 as well.

15 MS. FAIROBENT: Okay. And then I guess a  
16 follow-up question is is LVS robust enough to handle  
17 the increase in real time of the additional Category  
18 3 licenses and material?

19 MS. WU: Yes. So, license verification --  
20 the LVS system is really just a go-between between the  
21 National Source Tracking System and the Web-Based  
22 Licensing System, and I would say all three systems  
23 are robust to handle additional licenses and  
24 additional transactions.

25 MS. FAIROBENT: Up to an unlimited number,

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1 or up to 1,000, or up to -- has there been any  
2 estimate and verification that the system can handle  
3 the additional burden of content?

4 MS. WU: Yes, I would say that we have  
5 built, we have designed and built the systems to be  
6 able to handle additional licenses and additional  
7 transactions, but any more specifics than that I would  
8 have to ask our IT folks.

9 MS. FAIROBENT: Okay. Thanks.

10 MR. SMITH: So just to follow up, Lynne.  
11 So are you familiar with the LVS System at all?

12 MS. FAIROBENT: Yes.

13 MR. SMITH: Any thoughts on including  
14 Category 3 into LVS? Do you think it would increase  
15 safety and security at all or --

16 MS. FAIROBENT: I think I will refrain  
17 until I submit my written comments.

18 MR. SMITH: Yes.

19 MS. FAIROBENT: But I also have comments  
20 on record from 2009 --

21 MR. SMITH: Yes.

22 MS. FAIROBENT: -- that I would tend to --

23 MR. SMITH: And those comments were? What  
24 were those comments?

25 MS. FAIROBENT: I think that I would

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1 rather you pull the record than --

2 MR. SMITH: Okay.

3 MS. FAIROBENT: -- for me to misspeak  
4 perchance.

5 MR. SMITH: Right.

6 MS. FAIROBENT: But I think that there are  
7 concerns from my perspective with the system.

8 MR. SMITH: Sounds like it was dealing  
9 with the expansion of the system, being able to handle  
10 the increased volume. Is that --

11 MS. FAIROBENT: Both expansion, security,  
12 cybersecurity, throwing all the eggs in one basket.  
13 If somebody wants to defeat the system, one can. No  
14 system is 100 percent secure.

15 MR. SMITH: Okay. Great. So you --

16 MS. FAIROBENT: Issues with Agreement  
17 States and usability.

18 MR. SMITH: Right.

19 MS. FAIROBENT: Usability from an end user  
20 standpoint. I could on, and I will in public comment.

21 MR. SMITH: Great. Great. And for  
22 clarification, there is a cybersecurity component to  
23 what we're doing also for LVS and everything, right?  
24 I mean, we've looked at cybersecurity.

25 MS. WU: Yes, we go through a security

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1 categorization process and periodically evaluate and  
2 make sure that it is at the right level.

3 MR. SMITH: Great. Thank you.

4 Mia, do we have anyone in queue on the  
5 phone?

6 OPERATOR: No questions on the phone.

7 MR. SMITH: Oh, sorry, Nima.

8 MR. ASHKEBOUSSI: Nima Ashkeboussi, NEI.  
9 For the second question here you're asking  
10 stakeholders to determine if there is an increase in  
11 safety by moving to Category 3 tracking in LVS. And  
12 then you asked them to quantify that. So when NRC is  
13 looking at this question, do you guys have a  
14 methodology for how you're going to quantify what  
15 increases in safety or security are going to exist by  
16 potentially tracking Cat 3 quantities? Is there a  
17 methodology that's been developed that you can share?

18 MR. WHITE: This is Duncan White. There's  
19 not a specific methodology, but certainly one of the  
20 things we're looking for is for benefits and costs to  
21 do that. So any specific information that you would  
22 have on how much -- the increase in time to use it,  
23 how much more staff time would go into doing  
24 additional transfer that you would normally not have  
25 to do, anything like that could help quantify would be

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1 helpful.

2 MR. ASHKEBOUSSI: So I think it would be  
3 easy for us to give cost information, but the benefit  
4 I think is where the challenge is going to be. What  
5 level of benefit are we really gaining by doing this  
6 additional tracking? I mean, other than a couple GAO  
7 stings there's no other incidents I'm aware of where  
8 there's been falsified licenses or other licensees  
9 that have tried to obtain Category 2 quantities from  
10 their authorized Category 3 quantities. So it's hard  
11 to quantify what those benefits are.

12 So costs we can understand. Benefits, I  
13 think that's a challenge on our end, and I'm not sure  
14 how you're going to address that as well.

15 MS. ATACK: Yes, Sabrina Atack with the  
16 NRC. One thing that we would have to do if we did  
17 proceed with any recommendations for rulemaking in  
18 this area would be the rulemaking process, which  
19 includes an evaluation of cost and benefit. And as a  
20 preliminary step to that in the SRM the Commission  
21 provided they did ask us to perform some preliminary  
22 analyses of the cost and benefit.

23 So we're working with rulemaking staff to  
24 support the working group. It's performing this  
25 evaluation such that any recommendations we provide to

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1 the Commission will have a preliminary evaluation of  
2 cost and benefit. And then if we do proceed with a  
3 recommendation for rulemaking, we would have to go  
4 through the intensive process, public comment and then  
5 the formal cost and benefits analyses.

6 MR. SMITH: Okay. Any other comments here  
7 in the room?

8 (No audible response.)

9 MR. SMITH: Any comments on the web?

10 MS. DAVIS: No questions on the webinar.

11 MR. SMITH: Mia, any comments or questions  
12 on the phone?

13 OPERATOR: No questions on the phone.

14 MR. SMITH: Okay. We're going to move  
15 onto question No. 3. If the NRC changed the  
16 regulations to limit license verification only through  
17 LVS or to transferee's license issuing authority for  
18 transfer of Category 3 quantities of radioactive  
19 material, should licensees transferring Category 3  
20 quantities to manufacturers and distributors be  
21 excepted from the limited?

22 Mia, any questions on the phone.

23 OPERATOR: No questions on the phone.

24 MR. SMITH: Great. Thank you. Are there  
25 any questions here in the room?

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1 (No audible response.)

2 MR. SMITH: Comments here in the room?

3 (No audible response.)

4 MR. SMITH: Are there any comments on the  
5 web?

6 MS. DAVIS: No comments on the web.

7 MR. SMITH: Okay. Would you guys like to  
8 provide any kind of clarifications or anything that  
9 you're looking for to -- in this question?

10 MR. WHITE: This is Duncan White. One  
11 thing for consideration, for example, would be  
12 obviously we'd have the licensee do such transactions  
13 as is done with CAT 1 and 2, but again looking at  
14 alternatives would be possibly having the manufacturer  
15 do that for their customer, for example. So those are  
16 the type of things that you may want to consider in  
17 providing a response to this particular question. And  
18 that's what we were trying to is trying to go beyond  
19 just the licensee being the only one doing the --  
20 involved with the LVS transfer, having possibly like  
21 the manufacturer or the distributor do it.

22 MR. SMITH: Great. Thank you.

23 As a reminder please do not provide any  
24 non-public information, safeguards or classified  
25 information with your comments.

1 MR. MILLER: John Miller with  
2 International Isotopes. Just to respond to that  
3 suggestion, I don't know how you would work that out  
4 with say a supplier and customer relationship.  
5 There's some liability that's being transferred, and  
6 I don't know if our customers would feel comfortable  
7 with us making a verification for them or vice-a-  
8 versa.

9 We're -- as a manufacturer we use LVS  
10 often. I think once you get down to the CAT 3 level  
11 and you're dealing with a lot of end users that will  
12 be sending shipments back to customers or  
13 distributors, it might get a little bit more  
14 overwhelming than it is now. But I definitely don't  
15 like the idea of using surrogates to make verification  
16 for somebody else.

17 MR. WHITE: Thank you for that comment.

18 MR. SMITH: Great. Thank you.

19 Any comments on the web?

20 MS. DAVIS: No comments on the webinar.

21 MR. SMITH: Mia, any comments on the line

22 OPERATOR: Yes, we do have a question from  
23 Ralph Lieto.

24 Go ahead, sir.

25 MR. LIETO: Yes, I want to clarify. Are



1 you asking if there -- you have the situation where  
2 you have a licensee who's getting sources only from  
3 one vendor and returning them back to them for  
4 disposal or ultimate handling, that they -- those  
5 types of circumstances would be exempted?

6 MR. WHITE: This is Duncan White again.  
7 I don't think we were trying to --

8 MR. LIETO: I guess maybe I'll give you a  
9 specific and maybe that might be helpful.

10 For example, in Category 3 one of the most  
11 likely sources to be included are going to be HDR  
12 iridium-192 sources. And depending on the  
13 manufacturer of the machine you only can get sources  
14 from one place, so you're basically going back and  
15 forth getting new ones and exchanging for the old  
16 ones. Would that have to be -- would that be a  
17 circumstance where you're asking that an exemption be  
18 appropriate?

19 MR. WHITE: That was one area that we were  
20 thinking that this would apply, yes.

21 MR. LIETO: Okay.

22 MR. SMITH: Ralph, a quick question. What  
23 organization or licensee do you represent?

24 MR. LIETO: I'm with Saint Joseph Mercy  
25 Health System in Ann Arbor, Michigan.

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1 MR. SMITH: Oh, yes. All right. Great.  
2 Thanks.

3 MR. WHITE: Yes, this is Duncan White  
4 again. Another additional comment. I mean, we  
5 recognize for -- again for Category 3 that the medical  
6 licensees with HDRs and well-loggers are probably the  
7 two biggest groups impacted, potentially impacted by  
8 this change. And we do recognize for the medical  
9 licensees their relationship in transferring back and  
10 forth would be directly with the manufacturer back and  
11 forth.

12 For well-loggers, again, the information  
13 that we have; and again, we would certainly like to  
14 hear more information from the regulated community on  
15 this, is I think the majority of the time the  
16 relationship is directly between the manufacturer and  
17 the customer, but there's also many instances in well-  
18 logging where it's between the end users that would  
19 transfer sources between them.

20 And again, the scenario I threw out there  
21 again may be hard to use in that particular case. But  
22 again, what we're looking for is input on people's  
23 thoughts on that. Again, we recognize there are  
24 multiple regulated communities impacted by this. And  
25 again, what we're trying to do here is trying to

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1 consider ways that would be advantageous maybe to the  
2 largest possible group as a possible alternative to  
3 evaluate.

4 MR. LIETO: One follow-up question,  
5 please?

6 MR. SMITH: Sure.

7 MR. LIETO: Actually sort of a more  
8 general one. In terms of the radionuclides that we're  
9 talking about, is it only going to be limited to  
10 either what's listed in Part 37 or in the NSTS? Is  
11 that the only sources we're talking about, or would  
12 this list be expanded to include any radionuclide?

13 MR. WHITE: This is Duncan White again.  
14 Right now we're just considering those groups of  
15 radionuclides.

16 MR. LIETO: In the NSTS listing?

17 MR. WHITE: Yes, both in NSTS and in Part  
18 37.

19 MR. LIETO: Okay.

20 MR. SMITH: Okay. Are there any other  
21 questions here in the room?

22 (No audible response.)

23 MR. SMITH: Do we have any questions on  
24 the web?

25 MS. DAVIS: No questions on the webinar.

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1 MR. SMITH: Great. Thanks.

2 Mia, any additional questions on the  
3 phone?

4 OPERATOR: No questions from the phone.

5 MR. SMITH: Great. Thank you.

6 So we'll move on to question No. 4. Is  
7 there anything else we should consider when evaluating  
8 different methods of license verification prior to  
9 transferring Category 3 quantities of radioactive  
10 material?

11 Any comments here in the room? Sure.

12 MR. MILLER: John Miller, International  
13 Isotopes. Yes, whether it's CAT 3, CAT 2 or CAT 1 for  
14 LVS, I think one of the flaws with the system right  
15 now is a timeliness requirement. As a manufacturer we  
16 may ship CAT 1, CAT 2, CAT 3 sources to the same  
17 customer multiple times in a month, multiple times in  
18 a week. How long is a license verification good for?  
19 Do I do it prior to every transfer? Can I do it once  
20 a month and do it every 30 days if I'm transferring to  
21 the same customer? So that's something that I think  
22 needs to be considered.

23 MR. SMITH: Great. Thank you for the  
24 comment.

25 Mia, any additional comments on the phone

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1 line?

2 OPERATOR: No comments on the phone.

3 MR. SMITH: Gina, on the web?

4 MS. DAVIS: No comments on the web.

5 MR. SMITH: Thank you.

6 Okay. We'll move onto the next set of  
7 questions, which are general questions related to the  
8 National Source Tracking System, NSTS.

9 Question 1: Should Category 3 sources be  
10 included in NSTS? Please provide a rationale for your  
11 answer.

12 Mia, any comments on the line?

13 OPERATOR: No comments from the phone.

14 MR. SMITH: Thank you.

15 Gina, any comments on the webinar?

16 MS. DAVIS: No comments on the web.

17 MR. SMITH: Thank you. Any comments here  
18 in the room?

19 PARTICIPANT: (Off microphone.)

20 (Laughter.)

21 MR. SMITH: We welcome all comments.

22 MR. MILLER: I mean, just a simple  
23 comment. I mean, just straightforward I would just  
24 say no. I just think the number of sources which you  
25 will be collecting data on is going to be

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1 overwhelming. And what we have in place as far as  
2 keeping inventories and that, when you're down to a  
3 CAT 3 level, I think personally that the regulations  
4 as they are now are adequate to track Category 3.

5 If we start putting CAT 3 into NSTS, one,  
6 I don't think there's going to be any increase in  
7 safety and security for the effort that we're going to  
8 see. I mean, NSTS to me is like a checkbook ledger.  
9 I keep track of items. There's no way to prevent a  
10 theft with NSTS. You might be able to put together  
11 some steps and maybe find out where something might be  
12 missing if it isn't received in time, but as far as  
13 the effectiveness of increase in safety and security  
14 for Category 3 I don't think the NSTS really has much  
15 of a role there.

16 MR. SMITH: Thank you.

17 Mia, any additional comments on the line?

18 OPERATOR: Yes, we do have another  
19 question from Ralph Lieto.

20 Go ahead.

21 MR. SMITH: Great. Thank you.

22 MR. LIETO: And answering this question I  
23 think kind of gets to the crux of the whole reason for  
24 these regulations, but how many sources has this NSTS  
25 system caught with Category 1 and 2 to prevent

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1 inappropriate transfer or whatever? In other words,  
2 if there's been no problems found using this system,  
3 it sure doesn't seem to indicate that there's a  
4 benefit in expanding it into Category 3.

5 MR. SMITH: So for clarification you're  
6 saying that there have not been any problems tracking  
7 Category 3 sources so NSTS should not be -- should not  
8 include Category 3 sources?

9 MR. LIETO: It would seem to indicate  
10 there's not really any benefit in expanding it.

11 And I guess probably a follow-up question  
12 is how many licensees are involved with the Category  
13 1 and 2 tracking currently just as a comparison to the  
14 like 5,500 that you would be adding in with Category  
15 3?

16 MS. ATACK: Thanks for the comment, Ralph.  
17 That's something we would have to do a more formal  
18 analysis of in terms of if there have been any  
19 instances with respect to CAT 1 and 2 sources where  
20 NSTS or LVS have prevented aggregation or have  
21 prevented a transaction that a licensee attempted to  
22 perform but was not approved.

23 One thing that the License Verification  
24 System will do is a comparison of the licensee's  
25 inventory to their possession limit. So it would not

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1 allow a verification to take place if the licensee is  
2 exceeding their possession limit. So that's one check  
3 and balance that the system does provide. In terms of  
4 numbers where those instances have occurred, I can't  
5 give you that number at this time.

6 MS. WU: And, Ralph, this is Irene Wu.  
7 I'll answer the second part of your question. So  
8 right now there's about 1,400 or so licensees that are  
9 subject to NSTS reporting for CAT 1 and 2 sources.  
10 And the number of sources in NSTS fluctuates daily  
11 because sources are manufactured and sources will  
12 decay below threshold, but it's somewhere between 75  
13 and 80,000 sources.

14 MR. LIETO: Thank you.

15 MR. SMITH: Thank you. Any additional  
16 comments here in the room?

17 (No audible response.)

18 MR. SMITH: Gina, any additional comments  
19 on the web?

20 MS. DAVIS: No comments on the web.

21 MR. SMITH: Great. So again, those who  
22 are logged on to the web site, if you do not -- I  
23 mean, on the webinar, if you would like to submit your  
24 questions via the webinar, we do have someone that's  
25 monitoring those questions. And we'll read those

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1 questions out loud to make sure we capture them in the  
2 transcripts.

3 Mia, are there any additional comments  
4 online?

5 OPERATOR: No comments from the phone.

6 MR. SMITH: Okay. And we understand that  
7 we may have some strong opinions as to Category 3, but  
8 we really would like to hear those comments, if you  
9 have them, and so we can take those comments into  
10 consideration.

11 We'll move on to question No. 2. If  
12 Category 3 sources are included in the National Source  
13 Tracking System, should the NRC consider imposing the  
14 same reporting requirements currently required for  
15 Category 1 and 2 sources? And those are contained in  
16 10 CFR 20.2207(f).

17 Any comments here in the room?

18 MR. MILLER: It's more of a question.

19 MR. SMITH: Yes, no problem.

20 MR. MILLER: So in addition to being a  
21 manufacturer we also recycle dis-used sources. A lot  
22 of them that we receive are just barely Category 2,  
23 and then they have decayed off of the NSTS before we  
24 had a chance to disassemble them. And I'm just  
25 wondering what happens to say Category 2 sources that

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1 have decayed below the threshold? Are they still  
2 maintained in the NSTS?

3 And then if we move to Category 3, is  
4 there going to be a rejuvenation of these sources that  
5 had decayed off? And then would that licensee that  
6 last had those sources, would they be given a  
7 spreadsheet to say, look, make -- find out whether or  
8 not these sources still exist? Because, I mean,  
9 literally I've had thousands of sources decay off  
10 below Category 2. And some of them we still have and  
11 some of them are long gone.

12 MS. WU: Thank you, John, for the  
13 question. So the answer to the first part is that  
14 those sources once they have decayed below Category 2  
15 thresholds are still in NSTS. They're just not  
16 visible to the licensee. But administratively we can  
17 still see them and we can still see the full record.

18 Now whether or not -- we're still really  
19 early in the process here, so if Category 3 sources  
20 were to be included in NSTS, we'd have to figure out  
21 how to best -- whether it would be to take the  
22 information that's in there or to do something like we  
23 did for the initial reporting back in 2009 where  
24 licensees provided us some initial information. But  
25 again, it's too early in the process to know how that

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1 would actually be implemented.

2 MR. WHITE: This is Duncan White. I have  
3 a question about -- if we had cases where sources have  
4 been Category 1 decayed to Category 2, we just  
5 continue to track them?

6 MS. WU: Right, so the sources in NSTS  
7 right now get -- the decay calculation is run every  
8 evening in the system, and so if it decays from  
9 Category 1 to Category 2, it still stays in that  
10 licensee's inventory. It's only when it falls below  
11 Category 2 thresholds that it will fall out of that  
12 licensee's inventory.

13 MR. WHITE: So obviously one of the things  
14 that we'd consider here is if a Category 3 is included  
15 in NSTS, as you said, if Category 2 sources do decay  
16 to Category 3, they would obviously continue to be  
17 tracked and it would have be closed out appropriately.

18 MR. SMITH: Also for clarification, when  
19 you speak of reporting requirements, can you sort of  
20 expound on that? I'm saying what's the expectation  
21 for reporting requirements? What do you mean by that?

22 MS. WU: Okay. So current reporting  
23 requirements are in 20.2207, and those are  
24 transaction-based. So any time a source is  
25 manufactured, transferred, received, imported,

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1 exported or disposed of and disassembled, a  
2 transaction has to be submitted to the National Source  
3 Tracking System by close of business the following  
4 day. And that can either be done through the NSTS  
5 directly or through the NRC Form 748. And the  
6 regulations do provide what specific information has  
7 to be provided for each transaction.

8 MR. SMITH: Great. Thank you.

9 So based on Irene's explanation, do you  
10 anticipate any increased burden, or what effect would  
11 that have on your organization? That would be an  
12 interesting -- but right now we'll let Nima go first  
13 and then we'll let you go. But keep that in mind if  
14 you're on the phone or in the webinar.

15 MR. ASHKEBOUSSI: Nima Ashkeboussi, NEI.  
16 So to answer question No. 2 here, and if they're  
17 included in NSTS, which I don't think they should be,  
18 but if they are included, I think that NRC should  
19 pursue a graded approach to the reporting requirements  
20 considering that CAT 3 sources are less of a safety  
21 and security risk than CAT 1 and CAT 2. So something  
22 that's not equal to the current reporting  
23 requirements.

24 MR. SMITH: Just real quick, so when you  
25 say "graded approach," what would you consider graded?

1 MR. ASHKEBOUSSI: Longer time, longer  
2 grace period to report, for example --

3 MR. SMITH: Okay.

4 MR. ASHKEBOUSSI: -- may be one example.

5 MR. SMITH: Great.

6 MR. ASHKEBOUSSI: We'll have a letter that  
7 maybe gives some more ideas.

8 MR. SMITH: Okay. Great. Thank you.

9 MS. FAIROBENT: Lynne Fairobent, member of  
10 the public. Just to get back, Irene, to your comment  
11 on the two ways to report currently directly into NSTS  
12 or utilizing the form, do you know what percent of  
13 licensees are doing electronic reporting versus  
14 sending you the form? I know initially there had been  
15 trouble with electronic reporting. I'm just curious  
16 because that of course could then impact the usability  
17 as you add additional sources or licensees into the  
18 robustness of the system.

19 MS. WU: Yes, thank you for the question.  
20 So we have about -- it's -- well, it fluctuates  
21 depending on business, but it's about 30 to 40 percent  
22 of licensees do report directly to the online system.  
23 And then a fair amount do report using the Form 748,  
24 which now you can either fax or email. And we've made  
25 some upgrades in the past few years making the email

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1 capability a little bit easier, so we like to credit  
2 for that to be considered as electronic reporting as  
3 well.

4 And so, if you take into consideration the  
5 electronic -- the email reporting of the Form 748s and  
6 the direct online reporting, it's about -- like 95-98  
7 percent of all reporting is done electronically. Very  
8 few are faxing now.

9 MS. FAIROBENT: What's the delay in data  
10 entry though for those that are not automatically  
11 entered in? I don't -- personally, receiving an email  
12 with the information or receiving a faxed form with  
13 the information, the system's not real time. So what  
14 is the delay in the data entry? And I think that gets  
15 back to I believe John's point earlier that he may  
16 have had.

17 MS. WU: Yes, we're currently not  
18 operating on a backlog. Again, if you report directly  
19 to the system, the changes are made instantaneously.  
20 If they are reported via fax or by email, it could be  
21 up to 24 hours. This time of year with the annual  
22 inventory reconciliation going on they may be  
23 experiencing a backlog, but I haven't heard of any.

24 MS. FAIROBENT: Okay.

25 MR. SMITH: Thank you.

1 Mia, are there any additional questions or  
2 comments on the line?

3 OPERATOR: No comments on the phone.

4 MR. SMITH: Great. Thank you.

5 Gina, any comments on the web?

6 MS. DAVIS: No questions on the webinar.

7 MR. SMITH: Great. Thank you.

8 Again, we'd like to consider what type of  
9 effect would it have on you as a licensee or your  
10 organization if Category 3 was to be expanded and  
11 included in NSTS. And just listening earlier there  
12 seemed to be some concerns as far as capacity and the  
13 increased amount of those submittals of Category 3 to  
14 include Category 1 and 2, but to include Category 3 in  
15 those reporting requirements also.

16 MR. FULLER: I'm Mike Fuller with QSA  
17 Global. Just a -- this is an off-the-cuff estimate,  
18 but based on the volume of sources that we work with  
19 the NSTS, if we were to include the Category 3  
20 quantities, we would probably double our  
21 administrative burden that's on it, which is -- it's  
22 about half of a full-time equivalent right now. So we  
23 would estimate that it would probably double.

24 MR. SMITH: Great.

25 MR. WHITE: Mike, a follow-up question for

1 you. About how many sources does that represent you  
2 would handle?

3 MR. FULLER: For returns, because  
4 primarily the Category 3s would be the returns --  
5 well, the well-logging would also be the Category 3 as  
6 well. That's a relatively low volume right now,  
7 unfortunately. A rough estimate would be anywhere  
8 from 30 to 60 transactions a day.

9 MR. WHITE: Okay. Thank you. That's  
10 helpful.

11 MR. SMITH: Great.

12 Mia, any additional comments on the line?

13 OPERATOR: No comments on the phone.

14 MR. SMITH: Okay. Great. Thanks.

15 Gina, any additional comments on the web?

16 MS. DAVIS: No additional comments on the  
17 web.

18 MR. SMITH: Are there any additional  
19 comments here in the room?

20 (No audible response.)

21 MR. SMITH: Okay. Hey, just as a  
22 reminder, this meeting is being transcribed. Also, we  
23 ask that you do not provide any non-public  
24 information, any site-specific information, safeguards  
25 information or classified information when you're

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1 making comments or if you're asking a question.

2 So we're going to move on to question No.

3 3. Should the NRC consider alternatives to the  
4 current NSTS reporting requirements for Category 1 and  
5 2 sources to increase the immediacy of information  
6 availability such as requiring a source transfer to be  
7 reported prior to or on the same day as the source  
8 shipment date?

9 Are there any comments here in the room?

10 (No audible response.)

11 MR. SMITH: Gina, any comments on the web?

12 MS. DAVIS: No comments on the web.

13 MR. SMITH: Okay. Thank you.

14 Mia, are there any comments on the phone  
15 line?

16 OPERATOR: No comments on the line.

17 MR. SMITH: Can you all provide any kind  
18 of clarification of the immediacy of information  
19 availability that may be helpful or with generating  
20 comments?

21 MS. WU: Yes, so this is Irene Wu. Right  
22 now, as we mentioned earlier, reporting requirements  
23 to the National Source Tracking System is all by close  
24 of business the following day. So this question is  
25 really driving at whether that should be changed to

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1 have sort of before reporting or same-day reporting.

2 MR. SMITH: Sure.

3 MR. MILLER: So John Miller with  
4 International Isotopes. I don't see what value there  
5 would be in doing that, to make sure that the NSTS is  
6 immediately to date when you're looking at Category 1  
7 and Category 2, because you've got -- when you're  
8 making a transfer for Category 1 and Category 2, CAT  
9 1 you've got the Part 37 requirements where you're  
10 doing notifications and you've got routing and time  
11 estimates. And then for CAT 2, the same thing. You  
12 start off and you've got your no-later-than arrival  
13 time.

14 And so, I mean, I think that's the  
15 important part for the Category 1 and Category 2  
16 transfers. And if you start something where now  
17 you're going to make a transaction prior to actually  
18 transferring, well, shipments don't always go out when  
19 we plan them to, and so there's -- that could cause  
20 more problems than I think what value would be.

21 MR. SMITH: Great. Thank you.

22 Any other comments here in the room?

23 (No audible response.)

24 MR. SMITH: Mia, do we have any comments  
25 on the web? I'm sorry, on the phone line?

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1 OPERATOR: No comments on the phone.

2 MR. SMITH: Gina, any comments on the web?

3 MS. DAVIS: I'm getting a general question  
4 regarding whether these public meetings slides will be  
5 available on the web, if there's a site someone can  
6 look at those.

7 MS. WU: Yes, we can post them on our --  
8 we do have a web site dedicated to this reevaluation,  
9 and we can post the meeting slides up there.

10 MS. DAVIS: Okay. Thank you.

11 MR. SMITH: But as a reminder, the  
12 questions that we're -- that are on the meeting slides  
13 are on the FRN.

14 If you think of any kind of comments or  
15 questions on past questions that's been asked, you can  
16 also comment on those questions.

17 So we're going to move on to question 4.  
18 Would there be an increase in safety and/or security  
19 if the regulations were changed to include Category 3  
20 sources in NSTS? And if so, how much of an increase  
21 would there be?

22 Any kind of clarifying comments that you  
23 could provide? Do we feel that -- are we looking at  
24 the system as Category 3 not being tracked there? Are  
25 you looking for any kind of increase in security in

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1 order -- and that's the reason why you're looking at  
2 tracking it in NSTS? Would that be -- what would be  
3 the gain of tracking these sources in NSTS? Any kind  
4 of clarifying questions or comments?

5 MR. WHITE: Yes, this is Duncan White. A  
6 couple people have already -- commenters already  
7 alluded to the fact that they don't really see much of  
8 a safety or security increase if we go -- CAT 3  
9 putting them into NSTS. Again, if anyone wants to be  
10 more specific than that and then why you don't see  
11 that being a particular -- why it would not increase  
12 safety or security -- again, people have already  
13 comment that that's -- they don't believe that's going  
14 to be the case, but we would -- one of the things that  
15 would be helpful for us so we get feedback, a little  
16 more specificity on why you don't think that would be  
17 -- again, if you don't want to respond now, that's  
18 fine, but certainly if you are -- provide written  
19 comments, we certainly would appreciate the insights  
20 on that.

21 MR. SMITH: And that is a good point that  
22 Duncan is bringing up. If Duncan and Irene understand  
23 why you believe there's not an increase in safety and  
24 security, that would be part of their -- that they can  
25 consider in part of their evaluation also.

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1 Gina, are there any additional comments?

2 OPERATOR: No additional comments.

3 MR. SMITH: Mia, are there any additional  
4 comments on the phone line?

5 OPERATOR: No comments from the phone.

6 MR. SMITH: Great. Thank you.

7 Okay. We'll move on to question 5. And  
8 as a reminder, you can -- if you have a comment on one  
9 of the previous questions, feel free to bring those  
10 comments up or those questions up.

11 Question No. 5: Is there anything else we  
12 should consider as part of the evaluation of including  
13 Category 3 sources in NSTS?

14 Okay. Mia, are there any comments there  
15 on the phone line?

16 OPERATOR: No comments on the phone.

17 MR. SMITH: Gina, any comments on the web?

18 MS. DAVIS: No comments on the web.

19 MR. SMITH: Thank you.

20 Are there any comments here in the room?

21 MR. WHITE: George, to add one thing for  
22 people to consider when they form responses there, for  
23 some regulated community this would be the first time  
24 they would be -- if we go down to Category 3, they  
25 would have to work with NSTS and LVS, obviously. So

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1 in responding to this question you would want to  
2 consider that in your response. Obviously people who  
3 are already using these systems have familiarity with  
4 it, but people who are new to these systems don't --  
5 what type of challenges would they face doing that?

6 We already talked a little bit about  
7 credentialing that would have to be -- they would have  
8 to go through, but is there anything else that we  
9 should consider in our evaluation? We would  
10 appreciate hearing that. But again, we recognize the  
11 group of people who have not had to use these systems  
12 before.

13 MS. FAIROBENT: Duncan, Lynne Fairobent,  
14 member of the public. Just to follow up on that, the  
15 credentialing of an individual would be if they are  
16 going to direct upload the data, right? Or do they  
17 also have to go through the same credentialing process  
18 if they simply fax in the form or send an email?

19 MS. WU: Right. They only need to get  
20 credentialed to have direct access to the system.

21 MS. FAIROBENT: Okay. Thank you. I think  
22 that's an important point for new Category 3 licensees  
23 to understand.

24 MR. SMITH: Okay. I'm sorry. So why is  
25 that important?

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1 MS. FAIROBENT: There's an increased  
2 burden on the licensee if they have to go through a  
3 credentialing process to have direct access to NSTS --

4 MR. SMITH: Great.

5 MS. FAIROBENT: -- that they do not have  
6 to go through if they choose to submit the information  
7 in another manner.

8 MR. SMITH: Great. Thank you so much.

9 Mia, any additional comments on the line?

10 OPERATOR: No comments on the phone.

11 MR. SMITH: Okay. Gina, any additional  
12 comments on the web?

13 MS. DAVIS: No questions on the web.

14 MR. SMITH: Okay. So we're going to go to  
15 question 1 on the next set of questions. These next  
16 set of questions are specifically for licensees  
17 related to license verification.

18 So question 1: It currently takes  
19 approximately one month to get credentialed to access  
20 LVS. If you currently do not have online access to  
21 LVS and NRC establishes new requirements for license  
22 verification involving Category 3 quantities of  
23 radioactive material, would you be inclined to sign up  
24 for online access or would you use alternative methods  
25 for license verification such as emailing the NRC Form

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1 748, which is the manual license verification report,  
2 to the LVS help desk, or by calling the license  
3 issuing regulatory authority directly?

4 I think we kind of talked a little about  
5 credentialing the last comment.

6 MS. WU: Yes, I'll add to this.

7 MR. SMITH: Yes.

8 MS. WU: Irene Wu. Some of the previous  
9 hiccups that we encountered with folks getting  
10 credentialed -- a lot of folks who are out in the  
11 field a lot or don't have very many transactions have  
12 told us that they choose not to apply for online  
13 access and to get credentialed mainly because it's  
14 just one more password and one more ID to memorize.  
15 So that's why they choose to pursue the more manual  
16 process.

17 MR. SMITH: Can you speak to the LVS help  
18 desk for those who may -- not familiar with  
19 credentialing and are they -- do they use the LVS help  
20 desk? Does that make it easier for them? Any  
21 comments on that at all?

22 MS. WU: Yes, so we do have a help desk  
23 dedicated for both the National Source Tracking System  
24 and the License Verification System. They're  
25 available Monday through Friday, 8:00 to 8:00 p.m.,

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1 and they do support licensees on a variety of topics  
2 including when to report and issues with accessing the  
3 system, getting them through the credentialing  
4 process, things like that.

5 MR. SMITH: Comment, please?

6 MR. MILLER: Yes, just one other  
7 limitation with the online access that hasn't been  
8 raised, but it is an ethernet connection. You can't  
9 gain access to LVS or the NSTS using wireless, so  
10 people that are CAT 3 licensees that are thinking  
11 about online access, that's something that they need  
12 to consider.

13 MS. WU: Yes, that's a good point. We've  
14 heard that feedback from several licensees. And we've  
15 posed that to our IT folks if that's going to change,  
16 but as of right now it is a hard connection, yes.

17 MR. SMITH: Any additional comments on the  
18 web?

19 MS. DAVIS: We do have one question from  
20 the web. How do I submit a question on the phone?

21 MR. SMITH: On the phone?

22 MS. DAVIS: Yes.

23 MR. SMITH: They'd have to call into the  
24 webinar.

25 MS. DAVIS: Right. Is there a star --

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1 MR. SMITH: You have the number?

2 MS. WU: Star, six.

3 MS. DAVIS: Okay. Thank you.

4 MR. SMITH: Oh, Mia, can you explain the  
5 process of allowing participants to ask a question on  
6 the phone line?

7 OPERATOR: Yes, certainly. I'll remind  
8 them it is star and one. And then they'll need to  
9 record their name. Star and one with questions.

10 MR. SMITH: They don't need the phone  
11 number, do they? Do they need the phone number or  
12 they just need the process?

13 (No audible response.)

14 MR. SMITH: Oh, okay. Okay. I  
15 misunderstood. Okay.

16 Any additional comments here in the room?

17 (No audible response.)

18 MR. SMITH: Mia, any additional comments  
19 on the phone line?

20 OPERATOR: Yes, we do have a couple of  
21 questions. Our first one comes from Ralph Lieto.

22 Go ahead.

23 MR. LIETO: My question has to do with the  
24 credentialing process. Is that specific to an  
25 individual or would it be to the licensee such that

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1 more than one individual could be -- would have to --  
2 only the licensee would have to go through the  
3 credentialing process once?

4 MS. WU: It's specific to the individual.

5 MR. LIETO: Okay. That's problematic.

6 MR. SMITH: Can you expound upon that, the  
7 problem that you foresee?

8 MR. LIETO: Well, I was going to wait to  
9 answer some of the other questions, but I think  
10 probably I'll just hit them all at once right now. In  
11 that as a medical licensee you're exchanging the  
12 sources once per quarter per device, and probably most  
13 licensees don't have -- I think very rare that they  
14 have more than two devices. So you're not -- you're  
15 only doing this once a quarter.

16 And then if you change individuals --  
17 because it's probably going to be a medical physicist  
18 that's going to be involved with this or an RSO. And  
19 those individuals change -- not too frequently, but I  
20 just think that it would be a huge burden on a  
21 licensee to go through this credentialing process for  
22 one individual. And they have to be the only person  
23 that can do the verification process, and on such an  
24 infrequent basis.

25 So I would think that going through the

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1 credentialing process would be extremely unlikely for  
2 medical licensees and that -- because of the frequency  
3 of this and the fact that you're using, as I mentioned  
4 earlier, probably just one vendor. So it's basically  
5 a paperwork shuffle between you and the manufacturer  
6 just to do this. So there's really -- really I can't  
7 see any benefit at all.

8 MR. SMITH: Stand by, Ralph.

9 Do you guys have any qualifying -- I mean,  
10 clarifying questions for Ralph or anything, or you  
11 have what he's talking about?

12 MS. WU: Yes, I mean, we've had that  
13 feedback before. And I'll just add that that is I  
14 think one of the main reasons why the regulations  
15 currently do offer alternative methods for reporting  
16 because not every -- because the frequency of  
17 transactions differs for every type of licensee. And  
18 also some licensees are out in the field and they're  
19 not in front of a computer all the time. And so,  
20 that's why we still have a fair amount of people who  
21 choose to email and fax, and will continue to do so.

22 MR. SMITH: Great.

23 Mia, are there any additional comments on  
24 the phone line?

25 OPERATOR: Yes, we do have another comment

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1 from Jennifer Opila.

2 Please go ahead and state your  
3 organization.

4 MS. OPILA: Hi, this is Jennifer Opila  
5 with the State of Colorado Radiation Program.

6 So just piggybacking on the last couple of  
7 comments, I believe that it is likely that a lot of  
8 these new Category 3 users would use the manual system  
9 such as faxing and email and not get credentialed, as  
10 has been pointed out by a couple of other commenters.

11 And so I think part of NRC's analysis in  
12 this needs to be the added impact on the system, both  
13 to NRC and Agreement States, for more people to be  
14 doing those manual verifications instead of using the  
15 online system, because that does take more time for  
16 both the NRC staff or their contractor and the  
17 Agreement State staff.

18 MS. WU: Yes, that's a good point. And as  
19 you'll see later, some of the questions that we have  
20 specifically targeted for Agreement States do ask that  
21 question. So we recognize that there would be an  
22 added burden or an added -- there would be people  
23 needed likely.

24 I did want to add some clarification to my  
25 response to Ralph. So for the credentialing process

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1 there isn't a limit as to how many people can get  
2 credentialed for a specific licensee. As part of the  
3 credentialing process we do -- like I mentioned  
4 before, we do do an employment verification and a  
5 need-to-know step. And that involves reaching out to  
6 the radiation safety officer for that specific  
7 license.

8 So part of the benefits to getting --  
9 doing credentialing and having multiple people getting  
10 credentialed for a specific license is that if one  
11 person is out, another person could do the reporting.

12 MS. ATACK: This is Sabrina Atack. I'll  
13 take this opportunity to add another follow-up. We'd  
14 had a question earlier about the methodology the NRC  
15 would be using to perform any type of analyses of the  
16 safety or security benefit and the cost.

17 There is a NUREG that's available. It's  
18 publicly accessible. If anyone's interested in  
19 looking at that, it's NUREG Brochure 0058. The latest  
20 revision is Rev. 4. It's titled, "Regulatory Analysis  
21 Guidelines of the U.S. NRC," and it goes through some  
22 content in terms of defining what the values and  
23 impacts would be and the way the NRC would perform  
24 this analysis. It talks about enhancements to health  
25 and safety, protection of the environment.

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1           And then also some of the things that  
2 we're hearing with respect to the costs, the costs to  
3 licensees and Agreement States and administering  
4 changes to the proposed -- the new proposed regulatory  
5 action. And then are there beneficial or adverse  
6 effects to the economy or private markets? Those are  
7 some of the considerations we would be taking into  
8 account, but there are lot more details in the NUREG,  
9 if anyone is interested in reviewing that. And again,  
10 it's NUREG Brochure 0058 and the latest revision is 4.

11           MR. SMITH: Great. Thank you.

12           Any additional comments here in the room?

13           (No audible response.)

14           MR. SMITH: Any additional comments on the  
15 line, Mia?

16           OPERATOR: Yes, we do have another  
17 question from Jennifer Opila.

18           Go ahead.

19           MS. OPILA: Hi again. This is Jennifer  
20 Opila with the State of Colorado Radiation Program.

21           So my question, Irene -- you may not know  
22 the answer to this, but if we're talking about medical  
23 physicists who are doing -- who are interacting with  
24 the system because of HDR-type applications, a medical  
25 physicist will work for a variety of licensees, but

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1 may not have like their own license. Radioactive  
2 materials license that is.

3 So if they were to be credentialed, do  
4 they have to be credentialed with each licensee that  
5 they work for or could they just get one credential?

6 MS. WU: Yes, so they would go through the  
7 credentialing process once and be issued a token to  
8 get access to the system. But for every license that  
9 they wanted to get access to we would do an employment  
10 verification and a need-to-know with the radiation  
11 safety officer before granting access to that person,  
12 for that licensee.

13 But when that -- when they're issued a  
14 token, that token, they can use the same token to  
15 access multiple licenses in either system once they're  
16 granted access.

17 MS. OPILA: Okay. So I would submit then  
18 that that -- as Ralph kind of indicated, one hospital  
19 can have a number of medical physicists that work  
20 under them at any time, so that would be again an  
21 increased burden onto the licensee of having to do  
22 that employment verification every time. Thank you.

23 MR. SMITH: Thank you.

24 Gina?

25 MS. DAVIS: Yes, we have two questions in



1 the queue. The first one is from Lowre Young. Is the  
2 LVS and NSTS the same log-on?

3 MS. WU: Wait, say that again? I'm sorry.

4 MS. DAVIS: Is the LVS and the NSTS the  
5 same log-in?

6 MS. WU: Okay. So there are different  
7 links to log into the system, but you will use the  
8 same token, which is essentially you would use a user  
9 name and a password. And then there's the token which  
10 has a six-digit random number. And so you can use the  
11 same token if granted access to log into both systems,  
12 but different web sites.

13 MS. DAVIS: Different web sites and  
14 different log-in information separate from the token?

15 MS. WU: No, you can use the same log-in  
16 information.

17 MS. DAVIS: Okay. And then second  
18 question is do you have to do the license verification  
19 each time you submit, from Cindy Tomlinson.

20 MS. WU: So prior to any transfer  
21 currently for a Category 1 and 2 quantity of  
22 radioactive material licensees have to do license  
23 verification per the Part 37. And then following that  
24 they would do -- after the transaction is completed by  
25 close of business the following day is when they would

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1 the report to the National Source Tracking System.

2 MS. DAVIS: Okay. Thank you.

3 MR. SMITH: Mia, any additional comments  
4 on the telephone line?

5 OPERATOR: Yes, we have another comment  
6 from Ralph Lieto.

7 Go ahead, sir.

8 MR. LIETO: Two quick questions: One, is  
9 there a cost associated with the credentialing  
10 process?

11 And two, the token you're talking about,  
12 I take it this is some type of physical device that  
13 generates a -- some type of alphanumeric that has to  
14 be put in?

15 MS. WU: Okay. So, yes, there is no cost  
16 associated with the -- obtaining a token. And the --  
17 there are currently three types of tokens, two of  
18 which are hard tokens. One is a like a security card  
19 that has a button that you would push and it would  
20 generate a six-digit random number. The other option  
21 is a key fob-type of thing. Looks like a -- almost  
22 like a USB size, again with a button to push to get a  
23 six-digit random number. And then the third option is  
24 a mobile token. So you would open a smartphone app  
25 and then again push a button. It would generate the

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1 random number.

2 MR. LIETO: Okay. Thank you.

3 MS. WU: So the only cost is really time  
4 to go through the credentialing process, but nothing  
5 monetary.

6 MR. WHITE: A question about the tokens is  
7 we still using all three of them or are we  
8 transitioning to one type over another?

9 MS. WU: No, we currently offer all three  
10 types.

11 MR. SMITH: Okay. We're going to move on  
12 to question No. 2. Approximately how many transfer  
13 involving Category 3 quantities of radioactive  
14 material do you do monthly? What percentage involves  
15 transfer directly to or from a manufacturer?

16 Are there any comments here in the room?

17 (No audible response.)

18 MR. SMITH: Mia, do we have any comments  
19 on the telephone line?

20 OPERATOR: No comments from the phones.

21 MR. SMITH: Gina, any comments on the  
22 webinar?

23 MS. DAVIS: No comments on the webinar.

24 MR. SMITH: Any clarifying comments on why  
25 you want to know how many transfers involving Category

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1 3?

2 MR. WHITE: Well, getting that information  
3 obviously would help with the cost benefit analysis,  
4 obviously. I made some general comments earlier about  
5 HDRs and about how well-logging -- how we think it  
6 would go, but one of the reasons for asking this  
7 question is to kind of verify that information and  
8 also get a little bit of specifics on quantity  
9 involved to the licensee. And I think some people  
10 have addressed some of these issues already.

11 MR. SMITH: Right.

12 MR. WHITE: So any additional information  
13 people would have would be helpful.

14 MR. SMITH: Right.

15 Mia, any comments on the telephone line?

16 OPERATOR: No comments from the phones.

17 MR. SMITH: Gina, any comments on the  
18 webinar?

19 MS. DAVIS: Just one clarification for the  
20 last question I'd asked, do you have to do the license  
21 verification each time you submit? You had said that  
22 you use LVS prior to shipping and upon receiving a  
23 source. Is that what you had answered? Just so I get  
24 the answer right.

25 MS. WU: The license verification is

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1 before the transfer. So what I was talking about was  
2 that the -- upon receipt. Then the -- if the shipment  
3 involves a Category 1 or 2 nationally-tracked source,  
4 then they would be subject to reporting to the  
5 National Source Tracking System, and that would have  
6 to be done by close of business the following day,  
7 after the receipt.

8 MS. DAVIS: Okay. Thanks.

9 MR. SMITH: Any comments here in the room?

10 (No audible response.)

11 MR. SMITH: Mia, any additional comments  
12 on the telephone line?

13 OPERATOR: No comments on the phone.

14 MR. SMITH: Gina, any comments?

15 MS. DAVIS: No additional comments.

16 MR. SMITH: Okay. So we'll move to  
17 question No. 3. And as a reminder the meeting is  
18 being transcribed. We ask that you do not provide any  
19 non-public information or classified safeguards  
20 information, or site-specific information to your  
21 facility.

22 Question No. 3: Should a license  
23 verification be required when transferring to an  
24 established manufacturer?

25 Any comments here in the room?

1 (No audible response.)

2 MR. SMITH: Mia, any comments on the  
3 telephone line?

4 OPERATOR: No comments from the phones.

5 MR. SMITH: Gina, any comments on the web?

6 MS. DAVIS: No comments on the web.

7 MR. SMITH: Any clarifying remarks?

8 MR. WHITE: Again, the question was asked  
9 to provide a possible alternative option to doing the  
10 tokens in LVS. Again, if we have a credible  
11 manufacturer, well-established, when the reasons for  
12 doing the transfers and doing through LVS, as you  
13 know, is to ensure that it's done between entities  
14 that are credible. So in this case if we already  
15 established that, this would possibly a way to reduce  
16 the burden. So any -- again, considering a response  
17 to this question or insight on that, that's the kind  
18 of things we're looking for. Again, it's a way to  
19 possibly reduce burden if we do go ahead and require  
20 CAT 3 for LVS.

21 MR. SMITH: Great. Thank you.

22 Gina, any comments on the web?

23 MS. DAVIS: No additional comments.

24 MR. SMITH: Comments in the room?

25 MR. BACKHAUS: Roland Backhaus at

1 Pillsbury. Why does this question specifically call  
2 out manufacturers and not other well-known entities  
3 which could be, I don't know, well-known entities?

4 MR. WHITE: I think the impetus behind  
5 this question because manufacturers probably do most  
6 of the -- obviously do most of the handling. So they  
7 would have the greatest impact. So again, if we --  
8 that's why we kind of chose to do that questions.

9 Again, we've heard from other commenters  
10 that they may not be doing these transfers very often.  
11 Mr. Lieto mentioned that they only -- at the hospital  
12 they may only have a couple HDR units. Well-loggers  
13 may only have a couple sources. I mean, again,  
14 certain groups of people. So the idea for asking this  
15 particular question toward manufacturers is simply  
16 because they would handle a larger volume.

17 MR. MILLER: I think it falls back to the  
18 one comment that I had earlier about the no timeliness  
19 requirement for LVS. The regulation just says prior  
20 to doing a transfer perform license verification. And  
21 the gentleman on the phone with the hospital saying,  
22 well, we do this quarterly. Well, he knows with an  
23 LVS you do it one time and it might be good for six  
24 months, then, okay, I know this guy exists. Whether  
25 it's a manufacturer or whether it's a manufacturer

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1 shipping to a routine customer, you do an LVS and it's  
2 good for a certain period of time.

3 MR. SMITH: Please state your name for the  
4 transcript.

5 MR. MILLER: John Miller, International  
6 Isotopes.

7 MR. SMITH: All right. Great. Thanks.

8 MS. ATACK: It's Sabrina Atack. Just one  
9 thing for awareness to keep in mind with respect to  
10 periodicity of the verification process. NSTS, as  
11 Irene said, acts as a go-between between the Web-Based  
12 Licensing System and the National Source Tracking  
13 System. So when that license verification is  
14 performed, it's pulling data from the license with  
15 respect to the possession limit for the licensee and  
16 the current inventory for the licensee and doing a  
17 comparison.

18 So there would be probably a decrease in  
19 effectiveness of the license verification process if  
20 we didn't do that each time a transfer was taking  
21 place because it wouldn't account for the updated  
22 inventory from any receipts that had occurred since  
23 the last verification, if that's useful information.

24 MR. ASHKEBOUSSI: Nima Ashkeboussi, NEI.  
25 So for No. 3 I'd also suggest an addition to

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1 established manufacturers that you also reduce the  
2 burden for Part 50 licensees, power reactors, and fuel  
3 cycle facilities licensed under Part 70 as well.  
4 They're very well-known entities.

5 MR. WHITE: Thanks for the comment.

6 MR. SMITH: Any additional questions here  
7 or comments here in the room?

8 (No audible response.)

9 MR. SMITH: Gina, any comments on the web?

10 MS. DAVIS: No comments on the web.

11 MR. SMITH: Mia, any comments on the  
12 telephone line?

13 OPERATOR: No comments on the phone.

14 MR. SMITH: Question No. 4: Do you have  
15 online access to LVS? If so, have you experienced any  
16 issues with LVS? Do you have any recommendations on  
17 how to improve LVS?

18 Any comments on the phone, Mia?

19 OPERATOR: No comments.

20 MR. SMITH: Any comments here in the room?

21 (No audible response.)

22 MR. SMITH: Any comments on the web?

23 MS. DAVIS: No comments on the web.

24 MR. MILLER: So, yes; John Miller,  
25 International Isotopes, I do have online access to

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1 LVS. I use it rather routinely. A couple of issues  
2 that I do see with it sometimes, but there's -- you  
3 attempt to do a verification and you get an error  
4 message essentially that says contact the regulator.  
5 But there's really no reason why you got that message.  
6 Did I type in a date wrong? What's the deal?

7 With your comment with the activity and  
8 the possession limit, when I go to LVS, I'm not typing  
9 in how much material I'm transferring somebody.  
10 That's done in NSTS. So it wouldn't -- I don't see  
11 how it would cut me off saying, no, I can't verify  
12 this license because the possession limit is exceeded.  
13 But it would helpful if there was more to that error  
14 message than just contact the regulator. That way it  
15 -- it could have been a typo what I did.

16 MS. WU: Yes, and the regulator does have  
17 a -- will be -- when -- they will be able to see what  
18 the issue is, whether it is that the licensee is above  
19 their -- appears to be above their possession limit  
20 because of their inventory in NSTS. Maybe a  
21 transaction hasn't been executed even though in  
22 reality it's already happened.

23 In some cases if the Agreement State  
24 hasn't provided us the most up-to-date amendment for  
25 a license, that could be posing the problem. You may

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1 be checking for an amendment that is just not in the  
2 system yet, and that's part of it. But I understand  
3 that -- your comment and wanting more understanding of  
4 why the error occurred.

5 MR. SMITH: Nima?

6 MR. ASHKEBOUSSI: Nima Ashkeboussi, NEI.  
7 So along those same lines, Irene, do you have an  
8 estimate for how many -- the percentage of error  
9 message, contact the regulator, pop-ups come up when  
10 licensees try to use LVS?

11 MS. WU: That I don't know, I'm sorry.

12 MR. ASHKEBOUSSI: A guess?

13 MS. WU: Not even that. I apologize.

14 MR. SMITH: Any concerns there with the  
15 Category, besides the obvious increase in --

16 MR. ASHKEBOUSSI: Well, I mean, if there's  
17 a significant number of error messages, contact the  
18 regulator, that could produce a significant burden to  
19 Agreement States and the NRC.

20 MR. SMITH: Great. Thank you.

21 Mia, are there any additional comments on  
22 line?

23 OPERATOR: No comments on the phone.

24 MR. SMITH: Gina, any additional comments  
25 on the web?

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1 MS. DAVIS: No additional comments on the  
2 web.

3 MR. SMITH: Again, if you guys have any  
4 additional comments on questions that we've covered in  
5 the past, you can bring them up again and we will  
6 entertain those questions.

7 As a reminder, you can submit your  
8 questions or comments at a later date via the web or  
9 mail to the NRC.

10 Okay. We'll go to the next question. So  
11 the next set of questions are specifically for  
12 licensees related to NSTS.

13 So Question 1: It currently takes  
14 approximately one month to get credentialed to access  
15 NSTS. If you currently do not have online access to  
16 NSTS and NRC-established new requirements for tracking  
17 of Category 3 sources in the NSTS, would you be  
18 inclined to sign up for online access or would you use  
19 alternative methods for NSTS reporting such as  
20 emailing or faxing the NRC Form 748, National Source  
21 Tracking Transaction Report, to the National Source  
22 Tracking System help desk?

23 Do we have any comments on the web?

24 MS. DAVIS: No comments on the web.

25 MR. SMITH: Okay. Do we have any comments

1 here in the room?

2 (No audible response.)

3 MR. SMITH: Mia, do we have any comments  
4 on the line?

5 OPERATOR: No comments from the phone.

6 MR. SMITH: Okay. Thank you.

7 OPERATOR: I'm sorry, we do just have one  
8 that queued up. We have one from Ralph Lieto.

9 Go ahead, sir.

10 MR. LIETO: I have a CAT 1 source and it's  
11 fixed. I do not use NSTS. I use the emailing of the  
12 form to NSTS. I have had some issues in the past  
13 where I have not gotten response and had to follow up  
14 with emails. The contact is -- the individuals there  
15 are very, very cordial and everything like that, but  
16 this is not something that takes -- that occurs within  
17 hours or same day or a couple of days. So I can see  
18 some real issues with this with going to sources that  
19 are infrequently replaced or transferred and places  
20 not getting credentialed for the NSTS.

21 And I guess I have a question for NRC.

22 MR. SMITH: Well, before you go on -- I'm  
23 sorry by interrupting you. Do you have any  
24 recommendations on improving that process at all?

25 MR. LIETO: Not really.

1 MR. SMITH: Okay. Great. Sorry about --

2 MR. LIETO: Not really, because I mean I'm  
3 just waiting for a response that they got it and  
4 everything was satisfactory. But that's not something  
5 that comes same day, or 24 hours.

6 The credentialing process for NSTS  
7 obviously is probably separate from the LVS, so if you  
8 were something that was going to do both of these for  
9 the first time, are you talking basically two months  
10 or is it one month for both?

11 MS. WU: Yes, thank you for the question.  
12 So it is the same credentialing process for both NSTS  
13 and LVS, so a person coming in who wanted access to  
14 both could log into the enrollment module and fill out  
15 the application and select both systems to get access  
16 for a specific license or for specific licenses. And  
17 then it would be the same credentialing process that  
18 that person would go through.

19 We also have cases where someone  
20 previously had just NSTS access and they'll come back  
21 later and say, oh, now I need LVS access. And they  
22 don't have to go through the full credentialing  
23 process. They can go -- we can just do the employment  
24 verification and need-to-know quickly with the  
25 radiation safety officer and grant that access with

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1 the same token.

2 MR. LIETO: Thank you.

3 MS. WU: Yes.

4 MR. SMITH: Thank you.

5 Mia, any additional comments on the  
6 telephone line?

7 OPERATOR: No additional comments from the  
8 phone.

9 MR. SMITH: Thank you.

10 Gina, any additional comments from the  
11 web?

12 MS. DAVIS: Yes, there's one additional  
13 question from Cindy Tomlinson. How long is the online  
14 credential valid?

15 MS. WU: That's a good question. Right  
16 now I'm not aware of a time frame, because I  
17 personally have not renewed mine, but I will double-  
18 check. I believe there probably is a limitation for  
19 several years, but given that we just rolled out the  
20 one-time token within the last several years it's  
21 probably that no one has come up for their renewal  
22 yet. But that's something I'll look to see if we have  
23 a -- we may have that as one of our FAQs on our public  
24 web site. I'll try to find more information and  
25 update it.

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1 MS. DAVIS: Great. Thank you.

2 MS. WU: Right. Yes. So there is the  
3 annual training that is done when you log into the web  
4 site, when you log into NSTS or LVS. Rules of  
5 behavior. Things like security awareness. I just  
6 need to look and find out more about credential  
7 renewal.

8 MR. SMITH: Great.

9 Mia, any additional comments on the line?

10 OPERATOR: No comments on the phone.

11 MR. SMITH: Gina, any additional comments  
12 on the web?

13 MS. DAVIS: No additional comments.

14 MR. SMITH: Any additional comments here  
15 in the room?

16 (No audible response.)

17 MR. SMITH: No? Okay. Next set of  
18 questions?

19 (No audible response.)

20 MR. SMITH: Okay. Great.

21 Okay. So question 2: Do you have online  
22 access to NSTS? If so, have you experienced any  
23 issues with NSTS? Do you have any recommendations on  
24 how to improve NSTS?

25 MR. WHITE: Yes, this is Duncan White. I

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1 think Ralph spoke a little bit to his experience.

2 MR. SMITH: Okay.

3 MR. WHITE: Does anyone else want to  
4 comment?

5 (No audible response.)

6 MR. WHITE: Okay.

7 MR. SMITH: Okay.

8 MR. WHITE: Okay. Good.

9 MR. SMITH: So we're on track.

10 So the next set of questions are  
11 specifically for Agreement States related to license  
12 verification.

13 So question 1: Approximately how many  
14 licenses do you authorize for Category 1, 2 and 3  
15 quantities of radioactive material?

16 Any comments here in the room?

17 (No audible response.)

18 MR. SMITH: Are there any comments on the  
19 web?

20 MS. DAVIS: No comments on the web.

21 MR. SMITH: Mia, are there any comments on  
22 the telephone line?

23 OPERATOR: Yes, we do have a comment from  
24 Jennifer Opila.

25 Go ahead.

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1 MR. SMITH: Great. Thanks.

2 MS. OPILA: Hi, this is Jennifer Opila  
3 with the State of Colorado. In asking this question  
4 do you want to know individual sources that are  
5 Category 1, 2 and 3 quantities, or do you want to know  
6 aggregate quantities?

7 MR. WHITE: Certainly -- Jen, this is  
8 Duncan White. Certainly we want to know the number of  
9 licensees. And if you have -- I think it's more  
10 important because we're looking for individual  
11 transactions, because that's how we normally work  
12 these -- work the systems. I think the number of  
13 sources would be helpful.

14 But in the aggregate quantities, if you  
15 see something that would be insightful on that -- for  
16 example, having types of licensees that may aggregate  
17 up to -- that maybe have up to Category 3 quantities  
18 that would have to be -- if we go to a system where we  
19 would include Category 3 with license verification,  
20 that would be helpful. Those types of insights would  
21 be very helpful.

22 But I think our intent here was to ask  
23 questions about number of licensees and number of  
24 sources. But certainly we welcome any other insights  
25 you have.

1 MS. OPILA: Thank you, Duncan. May I ask  
2 a follow-up question?

3 MR. WHITE: Go ahead.

4 MR. SMITH: Absolutely.

5 MS. OPILA: Actually it's more of a  
6 comment. As you guys know, there is a difference  
7 between authorization and actual possession. And so  
8 I think that while we as Agreement States can answer  
9 the question what is authorized, I think it would be  
10 much more difficult for us to answer the question for  
11 the number of sources out there that are in Category  
12 3 quantities, because that -- most of us don't  
13 maintain that type -- that level of detail of  
14 inventory of our actual licensees.

15 MR. WHITE: Understand and appreciate the  
16 difference, yes. So if do provide the information,  
17 you just specify this is what they're authorized.

18 MR. SMITH: Thank you, Jennifer.

19 Any additional comments here in the room?

20 (No audible response.)

21 MR. SMITH: Any comments on the web, Gina?

22 MS. DAVIS: No additional comments on the  
23 web.

24 MR. SMITH: Mia, any additional comments  
25 on the telephone line?

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1 OPERATOR: No additional comments from the  
2 phones.

3 MR. SMITH: Okay. Thank you.

4 So question 2: If license verification  
5 through the LVS or the transferee's license issuing  
6 authority is required for transfer involving Category  
7 3 quantities of radioactive material, would you  
8 encourage the use of LVS among the licensees or plan  
9 for additional burden imposed by the manual license  
10 verification process?

11 Any comments here in the room?

12 (No audible response.)

13 MR. SMITH: No? Gina, any comments on the  
14 web?

15 MS. DAVIS: No comments on the web.

16 MR. SMITH: Mia, any comments on the  
17 telephone line?

18 OPERATOR: No comments from the phone.

19 MR. SMITH: Would you all like to provide  
20 any kind of clarification to this question?

21 MR. WHITE: When -- if you do provide a  
22 written response to this question later on, one thing  
23 that -- again, from -- getting back to doing our cost  
24 benefit analysis, one thing that would help to provide  
25 input, if you have a sense right now how much you

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1 would -- a particular state would do for CAT 1 and 2  
2 and if you can extrapolate to maybe how that would  
3 impact from CAT 3.

4 Say if you have the double -- and I'll  
5 just this as an example. If you have -- your CAT 3  
6 licensees is double the count of CAT 1 and 2  
7 licensees, would you expect to -- for that workload  
8 for manual verification to be doubled? Again, any  
9 insights like that to quantify would be very helpful  
10 and appreciated.

11 MR. SMITH: Great. Thank you.

12 Any additional comments on the web?

13 MS. DAVIS: We do have one additional  
14 question from Jack Tway. Why aren't LVS and NSTS  
15 combined into one system?

16 MS. WU: Well, NSTS was rolled out back in  
17 late 2008 and licensees began reporting in 2009, so I  
18 think the thought was -- and LVS came later. And so,  
19 the thought was more to have it be the go-between  
20 between the National Source Tracking System and web-  
21 based licensing.

22 MR. SMITH: Okay. Thank you.

23 MS. DAVIS: Thank you.

24 MR. SMITH: Any additional comments here  
25 in the room?

1 (No audible response.)

2 MR. SMITH: Mia, any additional comments  
3 on the telephone line?

4 OPERATOR: Yes, we do have another comment  
5 from Jennifer Opila.

6 Go ahead.

7 MR. SMITH: Great. Thank you.

8 MS. OPILA: Duncan, following up to your  
9 suggestion, is it possible for you guys to give us an  
10 idea of how many of -- as being Agreement State an  
11 idea of how many of our licensees are using the LVS as  
12 opposed to doing the manual license verification  
13 process now so that then we could try to extrapolate  
14 that?

15 MS. WU: Yes, we do have the ability to  
16 see -- we were able -- we do have reports that show us  
17 what licensees have online access to these various  
18 systems. And then we do get reports on the  
19 verifications that happen daily. So we could probably  
20 do some sort of -- get some of that information and  
21 provide it to the Agreement States.

22 MS. OPILA: Great. Maybe we could just  
23 have the states request it individually to you, or  
24 would you prefer sending it all out to everybody, or  
25 how you want to do that?

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1 MS. WU: Let me give it some thought and  
2 get back to you.

3 MS. OPILA: That sounds great. Thank you.

4 MR. SMITH: Any additional comments on the  
5 web?

6 MS. DAVIS: No additional comments on the  
7 web.

8 MR. SMITH: Any additional comments here  
9 in the room?

10 (No audible response.)

11 MR. SMITH: Mia, any additional comments  
12 on the telephone line?

13 OPERATOR: Yes, we do have one. One  
14 moment.

15 MR. SMITH: Great. Thank you.

16 OPERATOR: We have a question from Steve  
17 Harrison.

18 Go ahead.

19 MR. HARRISON: Actually a comment for  
20 discussion purposes since we're talking about  
21 quantity. We have 37 Category 1 and 2 versus 27  
22 Category 3 licensees, so we'd actually look at almost  
23 doubling the manual burden if we're to go to that  
24 route. And I just wanted to provide that information  
25 since we were specifically asked. Thank you.

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1 MR. SMITH: Do you mind repeating your  
2 name and organization or licensee?

3 MR. HARRISON: Yes, Steve Harrison,  
4 Virginia Office of Radiological Health.

5 MR. SMITH: Great. Thank you.

6 MR. HARRISON: Sure.

7 MR. SMITH: Any comments? Any comments  
8 here in the room?

9 (No audible response.)

10 MR. SMITH: Any comments on the webinar?

11 MS. DAVIS: No further comments on the  
12 webinar.

13 MR. SMITH: Mia, any additional comments  
14 on the telephone line?

15 OPERATOR: No additional comments from the  
16 phones.

17 MR. SMITH: Okay. Great. We'll go to  
18 question 3.

19 If license verification through the LVS or  
20 the transferee's license issuing authority is required  
21 for transfers involving Category 3 quantities of  
22 radioactive material, would you consider adopting web-  
23 based licensing, WBL, to ensure that the most up-to-  
24 date licenses are available for license verification  
25 using the LVS, or voluntarily provide your Category 3

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1 license similar to what some Agreement States do now  
2 for Category 1 and 2 licenses to be included in WBL,  
3 or would you do neither and prefer licensees to use  
4 the manual license verification process?

5 I'll ask you guys, you have any  
6 clarification on this? It's a lot of information,  
7 so --

8 MR. WHITE: This is Duncan White. I think  
9 the -- we've been discussing -- the NRC has been  
10 trying to encourage the Agreement States to use WBL  
11 more and more, and really what's behind this question  
12 is if we went to Category 3, would this push your  
13 closer or have you adopt -- go to WBL, use WBL?

14 MR. SMITH: Right. Right.

15 MR. WHITE: There are states already that  
16 do use WBL already, so obviously they would I assume  
17 continue to use it.

18 MR. SMITH: Okay. Any comments here in  
19 the room?

20 (No audible response.)

21 MR. SMITH: Any comments on the web?

22 MS. DAVIS: No comments on the web.

23 MR. SMITH: Mia, any comments on the  
24 telephone line?

25 OPERATOR: No comments from the phone.

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1 MR. SMITH: Okay. As a reminder again,  
2 this meeting is being transcribed. We ask that you do  
3 not provide any non-public information, classified  
4 information, safeguards information or site-specific  
5 information during your questions or comments.

6 If you would like to add comments to a  
7 question that we've already passed, that's no problem.  
8 We still welcome your comments.

9 So question No. 4: What would the impact  
10 in time and resources be on your program to handle the  
11 additional regulatory oversight needed for Category 3  
12 licensees if license verification through the LVS or  
13 the transferee's license issuing authority was  
14 required for transfers involving Category 3 quantities  
15 of radioactive material?

16 Any comments here in the room?

17 MR. ASHKEBOUSSI: Nima Ashkeboussi, NEI.  
18 So sorry to just jump back to the last question. So  
19 if I read this right, it is not NRC's intent to  
20 require all Agreement States to submit their CAT 3  
21 licenses into WBL?

22 MS. WU: Currently they're not --  
23 currently we're asking for Agreement States to provide  
24 us Category 1 and 2.

25 MR. ASHKEBOUSSI: So if NRC went to

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1 tracking CAT 3 and requiring LVS for CAT 3, would NRC  
2 require Agreement States to submit CAT 3 licenses for  
3 WBL?

4 MS. WU: Right, we would be asking -- if  
5 that were the case, we would be asking them to provide  
6 the Category 3 licenses to be included in WBL. That  
7 would be the only way that the License Verification  
8 System would work properly.

9 MR. ASHKEBOUSSI: Right. Yes, you need  
10 the licenses in WBL --

11 MS. WU: Right.

12 MR. ASHKEBOUSSI: -- for it to work,  
13 otherwise everyone's going to be contacting the  
14 regulator. So, okay.

15 MS. WU: Right.

16 MR. ASHKEBOUSSI: Thanks for clarifying.

17 MS. ATACK: Yes, and one additional  
18 comment. Sabrina Atack with the NRC. Currently  
19 Agreement States voluntarily provide CAT 1 and 2  
20 licenses, so we don't formally ask that they do that.  
21 It's something that Agreement States do to facilitate  
22 license verification.

23 The alternative would be that the burden  
24 would be on the license issuing authority; i.e., the  
25 state to perform that verification instead of using

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1 the LVS that's hosted by the NRC.

2 So three options essentially: States can  
3 use WBL as their license system and then the licenses  
4 are captured within WBL. They can provide the  
5 licenses to the NRC and we will use our contract staff  
6 to manually input the licenses such that they're  
7 available for the function of license verification.  
8 Or the states can take on that burden of actually  
9 performing the manual verification process themselves  
10 and hold the licenses in their possession.

11 MR. ASHKEBOUSSI: Okay. So just so I'm  
12 making sure I understand this. You'll be requesting  
13 that states submit the CAT 3 licenses, but they're not  
14 mandated to do so?

15 MS. ATACK: Right, it's an option. If we  
16 follow --

17 MR. ASHKEBOUSSI: Would be an option?

18 MS. ATACK: -- the same process that's  
19 been implemented for CAT 1 and 2, we would encourage  
20 the states to provide the licenses to facilitate the  
21 license verification process, but the alternative is  
22 that the states could act as the verification entity  
23 in lieu of using LVS.

24 MR. SMITH: Thank you. Any additional  
25 comments here in the room?

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1 (No audible response.)

2 MR. SMITH: Any additional comments on the  
3 web?

4 MS. DAVIS: No further comments on the  
5 web.

6 MR. SMITH: Mia, any additional comments  
7 on the telephone line?

8 OPERATOR: Yes, we do have a comment from  
9 Phillip Scott.

10 Go ahead.

11 MR. SCOTT: Hi, this is Phillip Scott,  
12 State of California, though I'm only asking a  
13 clarifying question or consideration on question 3.

14 Is it NRC's intent to require the WBL to  
15 be adopted by the state? And it just sounded like the  
16 discussion that it -- you would not require us to do  
17 that since we have our own state processes to adopt IT  
18 information systems and things like that. So is that  
19 NRC's -- so am I correct in assuming that it's really  
20 an alternative, though you're encouraging the states  
21 to adopt WBL but not requiring us to adopt it?

22 MS. WU: Yes, that is correct. We are not  
23 requiring it, however, we are encouraging states to  
24 use -- to adopt web-based licensing as their licensing  
25 system. And we have several states on board now and

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1 we're working with some additional states to get them  
2 on board. But you're right, we are not requiring it.

3 MR. SCOTT: Perfect. Thank you.

4 MS. ATACK: Yes, and one thing we're  
5 asking in the question is if we were to proceed with  
6 license verification requirements for CAT 3 licensees,  
7 if that would alter the approach that the states are  
8 using with respect to their use of WBL. So would it  
9 provide an impetus to encourage states to about WBL,  
10 or would the states plan to provide CAT 3 licenses  
11 voluntarily, or would they take on the burden of the  
12 verification process themselves? So that's really the  
13 intent of the question there.

14 MR. SMITH: Okay. Any additional  
15 questions or comments here in the room?

16 (No audible response.)

17 MR. SMITH: Are there any additional  
18 comments or questions on the web?

19 MS. DAVIS: No additional questions on the  
20 web.

21 MR. SMITH: Mia, any additional comments  
22 or questions on the telephone line?

23 OPERATOR: No additional comments from the  
24 phone.

25 MR. SMITH: Great. Thank you.

1 Well, we'll go over question 4 again.  
2 What would the impact in time and resources be on your  
3 program to handle the additional regulatory oversight  
4 needed for Category 3 licensees if license  
5 verification through the LVS or transferee's license  
6 issuing authority was required for transfers involving  
7 Category 3 quantities of radioactive material?

8 Any comments here in the room?

9 (No audible response.)

10 MR. SMITH: Any comments on the web?

11 MS. DAVIS: No comments on the web.

12 MR. SMITH: Any comments on the telephone  
13 line, Mia?

14 OPERATOR: No comments from the phones.

15 MR. SMITH: Okay. We're going to move  
16 onto the next question.

17 Okay. The next question is specifically  
18 for Agreement States related to the NSTS. The NRC  
19 currently administers the annual inventory  
20 reconciliation process on behalf of the Agreement  
21 States. This process involved providing hard copy  
22 inventories to every licensee that possesses  
23 nationally tracked sources at the end of the year,  
24 processing corrections to inventories and processing  
25 confirmations of completion of the reconciliation into

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1 the NSTS. The process involved a significant amount  
2 of staff time and resources from November to February.

3 If the Agreement States were to adopt  
4 administration of the annual inventory reconciliation  
5 process and if Category 3 sources were included in the  
6 NSTS, what would the additional regulatory burden be  
7 on the Agreement State to perform the annual inventory  
8 reconciliation for Category 1, 2 and 3 sources?

9 Jennifer, if you can hear us, do you have  
10 any comment on that?

11 (No audible response.)

12 MR. SMITH: Are there any comments here in  
13 the room?

14 (No audible response.)

15 MR. SMITH: Any comments on the web?

16 MS. DAVIS: No comments on the web.

17 MR. SMITH: Okay. If there are any other  
18 Agreement State licensees or Agreement State  
19 regulators, we'd like to hear some comments, if you  
20 have some.

21 MS. FAIROBENT: Hi, Lynne Fairobent,  
22 member of the public. Back to the 5,500 number of  
23 additional licensees for CAT 3. What percent are NRC  
24 and what percent are in the Agreement States, do you  
25 know? Because question also could be flipped to what

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1 is the increased burden for NRC on your licensees? Do  
2 you know what the -- I mean, I could do a rough  
3 estimate based on the average percentage, but it may  
4 not be correct.

5 MR. WHITE: I'm looking -- I'm not sure,  
6 but again --

7 MS. FAIROBENT: No, basically how many NRC  
8 Category 3 licenses --

9 MR. WHITE: I know.

10 MS. FAIROBENT: -- do you have?

11 MR. WHITE: Yes, I mean --

12 MS. FAIROBENT: That would be --

13 MR. WHITE: Yes, roughly --

14 (Simultaneous speaking.)

15 MS. FAIROBENT: -- from CAT 1 and 2?

16 MR. WHITE: Yes, roughly about 85 percent  
17 of --

18 MR. QUINONES: Yes, for -- this is Ernesto  
19 Quinones. I think it was like around 600.

20 MR. WHITE: Yes, so that would be about --  
21 it's about five to one or six to one Agreement State  
22 licensees for NRC licensees.

23 MS. FAIROBENT: So roughly about 600 NRC  
24 licensees is just -- just to clarify your point on the  
25 number?

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1 MR. WHITE: Yes.

2 MR. QUINONES: Category 3, yes.

3 MS. FAIROBENT: Thanks.

4 MR. SMITH: Mia, any additional comments  
5 on the telephone line?

6 OPERATOR: Yes, we do have a few comments.  
7 Our first one comes from Phillip Scott.

8 Go ahead.

9 MR. SCOTT: Phillip Scott, State of  
10 California. Question: On the -- is NRC really  
11 considering having -- requiring the Agreement States  
12 to do the annual inventory? If so, we'll still have  
13 to do an evaluation as to what that cost is going to  
14 be and -- for time and resources. So my comment is  
15 really is NRC considering requiring Agreement States  
16 to perform the annual inventory for their state?

17 And also, similar to what Colorado had  
18 mentioned, is there a way for us to evaluate those --  
19 that time and resource data? Is NRC able to provide  
20 us data on how many of our licensees are in NSTS or  
21 the LVS, or use that LVS and all that information to  
22 help us in our analysis?

23 MS. WU: Yes, so this is Irene Wu. In  
24 previous years we've -- I know states have been very  
25 helpful along the way as we get closer to the end of

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1 January and we have licensees that haven't completed  
2 their reconciliation process. A lot of times I  
3 believe that entails -- we provided a list in the past  
4 and your folks have then reached out and gotten those  
5 remaining licensees into compliance. But I'd be happy  
6 to provide some additional information off line of,  
7 like I said before, numbers of licensees who -- the  
8 licensees in each state that have online access.

9 And then we do get statistics every year  
10 of how many of those actually do perform their  
11 reconciliations online. There are things -- there are  
12 times where corrections can't be made using the online  
13 system, and a lot of times then those have to proceed  
14 through a more manual process of getting those  
15 inventories corrected. So it is not that every person  
16 who has online access completes their reconciliation  
17 online.

18 MR. SMITH: Thank you. Any additional  
19 comments or questions, Phillip?

20 (No audible response.)

21 MR. SMITH: Mia, any additional comments  
22 or questions from the telephone line?

23 (No audible response.)

24 MR. SMITH: Any additional -- oh, sorry,  
25 Nima.

1 MR. ASHKEBOUSSI: Nima Ashkeboussi, NEI.  
2 So I guess looking at this from a big picture, I'd  
3 question the continued need for annual reconciliation,  
4 because my understanding is that the significant  
5 amount of work that NRC and the Agreement States go  
6 through and the licensees spend on this issue that I'm  
7 not sure what kind of safety issue we're trying to  
8 address with this when most of the errors, all of the  
9 errors that I'm aware of are a result of kind of  
10 typographical, administrative types of issues.

11 So I'd question the continued need for  
12 reconciliation. And then also in light of having a  
13 graded approach I would exclude CAT 3 from the  
14 reconciliation if you were to continue with that.

15 MR. SMITH: What would be your reason for  
16 excluding Category 3?

17 MR. ASHKEBOUSSI: Just a graded approach  
18 in terms of risk significance compared to CAT 1 and  
19 CAT 2.

20 MR. SMITH: Great. Thank you.

21 Any additional comments on the web?

22 MS. DAVIS: Yes, we have an additional  
23 question from Karen Sheehan. If someone retires how  
24 do they notify NSTS or end their credentialing? Do  
25 they have to send their token back?

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1 MS. WU: That's a good question. We do  
2 have a frequently asked question on the NSTS web site  
3 that lets folks know that if they do have someone in  
4 their -- in the agency or a licensee that retires or  
5 leaves to go to another company, that they are asked  
6 to contact the NSTS help desk to let us know so we can  
7 deactivate them, as well as return the credential, if  
8 it's a hard token, to us. And the mailing information  
9 is provided on the web site.

10 MS. DAVIS: Thank you.

11 MR. SMITH: Great. Thank you.

12 MS. DAVIS: Oh, we do have an additional  
13 question on the web.

14 What authority does NRC have to require  
15 the Agreement States to conduct their annual inventory  
16 reconciliation? From Jennifer Opila.

17 MR. WHITE: Duncan White. Well, the  
18 Category 1 and 2 reconciliation is in the regulations.  
19 It's 2207(h), Part 20. What I think I don't -- I'm  
20 not sure of is what the history is for why the NRC  
21 took that on originally and why not the Agreement  
22 States did. I just don't know the history of that.  
23 And we'll have to get back to Jennifer on that  
24 particular question.

25 MR. SMITH: Great. Thanks.

1 MS. DAVIS: Thank you.

2 MR. SMITH: Any additional questions here  
3 in the room?

4 (No audible response.)

5 MR. SMITH: Mia, any additional questions  
6 or comments on the telephone line?

7 OPERATOR: Yes, actually we did have  
8 Jennifer Opila holding if she had further comments.  
9 Go ahead.

10 MR. SMITH: Great. Thank you.

11 MS. OPILA: Sorry, guys. I think I'm  
12 having some technical difficulties on this end.

13 Thank you, Duncan. If you could look into  
14 that. I was not aware that the actual conducting of  
15 the annual reconciliation was an issue of  
16 compatibility, but I could be wrong on that.

17 MR. WHITE: The regulations again in Part  
18 20 are specific to -- the regulations are towards  
19 licensees, obviously, and not Agreement States. So  
20 the question I don't know the answer to is why NRC  
21 took on the task of doing them all for Agreement and  
22 Non-Agreement States. I just don't know the history  
23 of that and we'll have to get back to you on that.

24 MS. FAIROBENT: Lynne Fairobent, member of  
25 the public. I have a question follow-up, Irene, to

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1 your response to a previous question on if someone  
2 retires and notification and stuff.

3 How does that work for an individual -- in  
4 your case you had mentioned earlier a medical  
5 physicist who may provide services to more than one  
6 licensee and has one token and one sign-on and one  
7 password? So how -- if they stop say consulting to  
8 hospital A, but still are consulting to hospitals B  
9 and C, how is that handled, or have you given thought  
10 to that?

11 MS. WU: Yes, in that case a lot of times  
12 we'll hear from the radiation safety officer of the --  
13 so say that medical physicist no longer works with a  
14 specific licensee. We'll hear from that -- we'll  
15 often hear from that RSO letting us know that we  
16 should deactivate their access for that specific  
17 license. So if they had access to five licenses, once  
18 we deactivated, they'd log in. They would notice that  
19 that -- they wouldn't be able to select that license  
20 from the drop-down and be -- they wouldn't be able to  
21 perform any transactions on that licensee's behalf.

22 MS. FAIROBENT: That's what I was  
23 assuming, but based on your earlier answer I don't  
24 know that that was clearly understood that just  
25 because they may have one log-in and one token it

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1 doesn't give them carte blanche to every license in  
2 the system. So I just was trying to help clarify  
3 that.

4 MS. WU: Thank you for that.

5 MR. SMITH: Thank you very much.

6 Any additional comments here in the room?

7 (No audible response.)

8 MR. SMITH: Any comments on the web?

9 MS. DAVIS: No additional comments on the  
10 web.

11 MR. SMITH: Mia, any additional comments  
12 or questions on the telephone line?

13 OPERATOR: No comments on the phone.

14 OPERATOR: No additional comments from the  
15 phones.

16 MR. SMITH: Okay. So we'll proceed to the  
17 last set of questions.

18 Again, as a reminder if you have a comment  
19 on previous questions, we will entertain those  
20 questions. We ask that you do not provide any non-  
21 public information, safeguards information, classified  
22 information or site-specific information.

23 Okay. The last set of questions. Should  
24 physical security requirements for Category 1 and 2  
25 quantities of radioactive material be expanded to

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1 include Category 3 quantities?

2 MR. MILLER: John Miller, International  
3 Isotopes. Well, the answer -- my answer would be no.  
4 And the reason is that you have to look at the risk.  
5 What is posed with Category 3 versus Category 1 and 2?  
6 If you look at the table, there are certainly hazards  
7 associated with Category 3 quantities of radioactive  
8 materials, but in my opinion I think the safety  
9 regulations that are in effect also provide the level  
10 of security that you need to control that quantity of  
11 material.

12 If I transfer a Category 3 quantity, if I  
13 transfer less than a Category 3 quantity, I still have  
14 to verify with the person I'm transferring that  
15 material to is authorized to received it. If they  
16 receive a package and the material is missing, that  
17 person is required to make notifications that there is  
18 lost radioactive material.

19 So when you start looking at levels of  
20 activity, there's a line that I think needs to be  
21 crossed before you start including enhanced security  
22 requirements. And I don't think Category 3 crosses  
23 that line. I think the existing safety regulations,  
24 both your NRC regulations, the DoT regulations provide  
25 enough level of security to control Category 3

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1 quantities.

2 MR. SMITH: So there are no other  
3 graduated approaches that you would identify for  
4 security for Category 3 sources?

5 MR. MILLER: If you're looking at what  
6 this exercise is trying to solve, I think maybe  
7 issuing licenses for licensees that possess a Category  
8 3 might be a little bit more robust. License  
9 verification is a possibility that might improve  
10 security. But one of the questions that isn't on this  
11 slide that you have to ask is what are the unintended  
12 consequences of that?

13 And one of the consequences I would see if  
14 you went to Category 3 in LVS and NSTS is from a --  
15 from a source manufacturer's perspective it doesn't do  
16 anything for me. I'm already doing it, so adding CAT  
17 3 is just another burden on my part. But now when  
18 you've got licensees that haven't been pulled into  
19 this realm -- right now there are a lot of sources  
20 that are shipped as Category 2 and when they become  
21 dis-used, they're down below Category 3. They get  
22 returned to the manufacturer, no problems.

23 If now that end user has to go through  
24 these hoops to make an NSTS transaction, do a license  
25 verification, they might hang onto the source until

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1 it's below Category 3 now. And so you could have  
2 sources collecting in a broom closet waiting for them  
3 to decay below a certain threshold so they don't have  
4 to go through the burden of doing NSTS or LVS. So  
5 that's a consequence that I think needs to be  
6 considered.

7 MR. SMITH: Great. Thank you.

8 Any additional comments here in the room?

9 (No audible response.)

10 MR. SMITH: Gina, any additional comments  
11 on the web?

12 MS. DAVIS: No additional comments on the  
13 web.

14 MR. SMITH: Mia, any additional comments  
15 on the telephone line?

16 OPERATOR: No additional comments from the  
17 phones.

18 MR. SMITH: Great. Thank you.

19 So we'll move on to question 2. Some  
20 Category 3 sources are covered under a general  
21 license, 10 CFR 31.5. Would the NRC consider  
22 establishing maximum quantities in general license --  
23 or should the NRC consider establishing maximum  
24 quantities in general license devises thereby  
25 reserving authorization to possess Category 1, 2 and

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1 3 quantities of radioactive material to specific  
2 licensees?

3 Mia, any comments on the telephone line?

4 OPERATOR: No comments from the phones.

5 MR. SMITH: Any comments here in the room?

6 MR. BACKHAUS: This is Roland Backhaus for  
7 Pillsbury. Can you help me understand what it is that  
8 that question asks? I have a little difficulty  
9 reading that question and really appreciating what it  
10 is the NRC is thinking behind it.

11 MR. WHITE: A general license is issued to  
12 a customer without getting specific approval from  
13 either an NRC or Agreement State. And if we were as  
14 -- and it's basically based on how that source is used  
15 and the type of device that's going to -- a general  
16 license device is designed to be inherently safer than  
17 a specifically licensed Category 3 source, because it  
18 would be the type of use.

19 So the requirements for a Category 3  
20 general licensee, they wouldn't need to go through  
21 some of the -- be authorized specifically for their  
22 training, for having certain safety equipment in  
23 place. They would just have to follow what the  
24 manufacturer tells them to do.

25 The other reason for asking this question

1 is that if we -- because if there is no specific  
2 license application, someone could just acquire a  
3 general -- a generally licensed quantity of Category  
4 3 material without going through any sort of vetting  
5 process to determine if they're going to use the  
6 material for malevolent use or not. And that's kind  
7 of the driving force of asking this question.

8 Because again, the -- right now we do use  
9 pre-licensing guidance to look at new applicants --  
10 look at all new applications, but particularly we have  
11 a process to look at applicants who have -- are  
12 unknown entities to us. They never got a license  
13 before. This is the reason why we're interesting in  
14 people's input on that. People who never had a  
15 license who get Category 3 through a general license,  
16 it defeats the whole purpose of getting a Category 3  
17 through a specific license.

18 MR. BACKHAUS: Sure. And so the practical  
19 effect of this could be that companies which had  
20 previously been operated under a general license that  
21 you described would then, given all those  
22 circumstances, be required to be general licensed --  
23 or, sorry, specific licenses.

24 MR. WHITE: Specific licenses.

25 MR. BACKHAUS: Is that right? And so

1 then, that it seems to me could cast a pretty large  
2 net over companies which use maybe exclusively -- but  
3 in any case in large part devices which are general  
4 licensed devices, especially small quantities general  
5 license devices. I understand your thinking there to  
6 be to establish some sort of curie content limit in  
7 general licensed devices.

8 MR. WHITE: Yes.

9 MR. BACKHAUS: And if you have above that,  
10 then you'd be required to become a specific license.  
11 Do I understand that correctly?

12 MR. WHITE: Yes. I can speak to how many  
13 NRC -- general licensees the NRC has that fall into  
14 Category 3. It's around 20 facilities. Now I can't  
15 -- Agreement State obviously would be -- increase that  
16 amount obviously, but we're not talking hundreds of  
17 thousands of licensees here. We're not talking in  
18 that quantity. We're talking about a relatively small  
19 number of licensees that would be impacted if they had  
20 Category 3 quantities under a general license. They  
21 could go get a Category 3 specific license. It's not  
22 a -- it wouldn't be a huge -- it still would be a  
23 burden for the individual licensees obviously to do  
24 that of course, but in terms of the total number --  
25 the affected total number wouldn't be.

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1 MR. BACKHAUS: So then just to clarify  
2 that point then, should I think about your question in  
3 terms of curie content per source or per general  
4 license device, or should I think about it in total  
5 curie content authorized by -- well, anyway, total  
6 curie content that an entity that could have been  
7 previously a general licensee --

8 MR. WHITE: Right.

9 MR. BACKHAUS: -- would sort of possess?

10 MR. WHITE: It would be --

11 MR. BACKHAUS: And in that maximum  
12 aggregate case is that the thing which drives the need  
13 in your thinking to become a specific licensee?

14 MR. WHITE: Right.

15 MR. BACKHAUS: Yes.

16 MR. WHITE: We're talking about  
17 aggregating. The total quantity would have at the  
18 facility would be the Category 3 quantity, yes.  
19 That's correct.

20 MR. BACKHAUS: Okay. Well, I would submit  
21 that without any data that there's a large number of  
22 companies which that would catch.

23 MR. WHITE: Thank you.

24 MR. SMITH: Thank you very much.

25 Any additional comments or questions on

1 the webinar?

2 MS. DAVIS: There's one comment just --  
3 yes.

4 MR. SMITH: Yes.

5 MS. DAVIS: By us, if you would like to  
6 elaborate, but I'll keep you posted if --

7 MR. SMITH: Okay. Any additional comments  
8 here in the room?

9 (No audible response.)

10 MR. SMITH: Mia, any additional comments  
11 on the telephone line?

12 OPERATOR: Yes, we have a comment from  
13 Phillip Scott.

14 Go ahead.

15 MR. SCOTT: Yes, I was just -- I would  
16 recommend that a maximum quantity in a GLD such as  
17 under 31.5 be established, but also you need to  
18 consider how does that work into play with the  
19 registration component of 31.5, and also I believe  
20 40.25, which is depleted uranium, and would that pull  
21 them in or are we only talking byproduct material, not  
22 source material here?

23 And so then you would need to also  
24 consider grandfathering process of pretty much like  
25 what you've done under the source material change or

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1 Part 40 change that just what, last year or year  
2 before on distribution. That does create a lot more  
3 licensing, so you'd need to consider what is NRC's  
4 expected work load increase for licensing quantity CAT  
5 3 instead of under a GL. And same with each Agreement  
6 State. We would have to look at that.

7 I see a lot more workload if you do  
8 establish it such that CAT 1, 2 and 3 would require a  
9 specific license. A lot more cost, both economically  
10 in the industry and on the Agreement State to carry  
11 that out and to perform all the inspections. So those  
12 things need to be considered.

13 MR. SMITH: Phillip, one question, follow-  
14 up question. So what is your reasoning for  
15 considering establishing -- that the NRC should  
16 establish the maximum quantities for GLs?

17 MR. SCOTT: I think it deals in part with  
18 the changes under the GL for Part 40 source material.  
19 And that's the -- I had it in my head. I want to --  
20 I don't want to say 40.13 because that's exempt  
21 products. It's one of those in Part 40. The GL to  
22 hold source material for distribution, manufacturing  
23 and whatever you want. Because there seems to be an  
24 inconsistency in the efforts over under Part 40 and  
25 the Part 31 GLs as to how they're treated. Granted,

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1 there is a need to treat them differently, but there's  
2 still some inconsistencies in the processes.

3 And the registration component under 31.5  
4 may already have the effect of creating a maximum so  
5 that GL holders don't have to register similar to the  
6 same question that was prior -- previously mentioned  
7 on that, people keeping a CAT 3 source until it decays  
8 off so they don't have to do LVS or the NSTS. So  
9 those things just should be evaluated a little more.

10 MR. SMITH: Great. Thank you very much.

11 Gina, any additional comments/questions on  
12 the webinar?

13 MS. DAVIS: No additional comments on the  
14 web.

15 MR. SMITH: Okay. Mia, any additional  
16 comments or questions on the telephone line?

17 OPERATOR: No additional comments from on  
18 the phone.

19 MR. SMITH: Okay. That was the last  
20 question from the FRN, but if there are any additional  
21 comments or questions from the questions that we posed  
22 earlier or if there are any additional questions or  
23 comments that you would like to provide the staff at  
24 this time, we'll accept those comments or questions.

25 So we'll give a second. We have about 35

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1 minutes left that was scheduled for this webinar, so  
2 we'll give you a couple extra minutes to provide  
3 additional comments, if you have them.

4 (Pause.)

5 MR. SMITH: Are there any additional  
6 comments or questions you guys would like to provide  
7 for clarifications for submitting questions or  
8 comments, or what you're looking for or -- I'm sure  
9 today was a great help in understanding the type of  
10 comments and questions you'll receive and provide some  
11 idea of some of the clarifications that you may have  
12 to provide folks.

13 MR. WHITE: One thing I was going to  
14 mention about Phillip's last comments regarding  
15 general license devices. When we were talking about  
16 Category 3 general licenses, we were talking about  
17 those devices with the radionuclides that we talked  
18 about in the beginning, the 20 radionuclides in the  
19 beginning. That's what they were talking about. So  
20 Phillip discussed a little bit about Part 40, and that  
21 really probably would not apply in this particular  
22 case.

23 The other thing to point out, too, is;  
24 again, Phillip alluded to this, there is a  
25 registration requirement in Part 31.5. It covers some

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1 of the isotopes we consider under Category 3. And  
2 we've certainly captured them. But the question is,  
3 yes, those would be registered, but the number of --  
4 but the -- what we're talking about here is the  
5 quantities involved for Category 3 would be not what's  
6 required for registration because that's a pretty low  
7 threshold. But the Category 3 quantities would be --  
8 this is going to be general unless -- should they be  
9 specifically licensed? So there's some nuances there  
10 that to consider when looking at that.

11 MR. SMITH: Great. Okay.

12 MR. WHITE: And I do have -- again, just  
13 to reiterate, talked about this a number of times, to  
14 provide specific information as possible. Again, it  
15 will help in the cost benefit analysis. As specific  
16 as possible. It doubles the burden. Twice as much  
17 activity. Anything you can provide to kind of provide  
18 a quantitative spin on it would be very, very useful  
19 to do the analysis.

20 MR. SMITH: Okay. Great. Anything,  
21 Irene?

22 MS. WU: (No audible response.)

23 MR. SMITH: Okay. So to close the  
24 meeting, we really appreciate your attending here at  
25 the NRC, those who are on the web and those who are on

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1 the telephone.

2 The NRC will hold several additional  
3 public meetings and webinars on Category 3 source  
4 safety and accountability during the public comment  
5 period for this effort. Two webinars have been  
6 noticed on the public meeting web site, and those are  
7 on February 21st and March 2nd.

8 We are still planning for some additional  
9 public meetings and webinars in February. All of  
10 these public meetings and webinars will be noticed on  
11 the public meeting web site, so please check there for  
12 the times and detail.

13 Finally, we would like to remind you that  
14 the public comment period for the FRN that provides  
15 these questions closes on March 10th, 2017. We  
16 encourage you to respond to the FRN and we also  
17 appreciate your participating in today's meeting.

18 I'd like to close by saying again Duncan  
19 White, his email address is duncan.white@nrc.gov. His  
20 telephone number is (301) 415-2958. And Irene Wu, her  
21 email address is irene.wu@nrc.gov. Her work number is  
22 (301) 415-1951. Duncan and Irene are the point of  
23 contacts for the Category 3 source security and  
24 accountability meetings and webinars.

25 Again, thank you again for participating

1 today.

2 Mia, you can close the line.

3 OPERATOR: Great. Thank you. At this  
4 time you may disconnect. Thank you.

5 MR. SMITH: Thank you for your assistance,  
6 Mia.

7 (Whereupon, the above-entitled matter went  
8 off the record at 3:26 p.m.)

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