

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

Title: Category 3 Source Security and Accountability  
Public Meeting Evening Session

Docket Number: (n/a)

Location: Houston, Texas

Date: Tuesday, February 28, 2017

Work Order No.: NRC-2892

Pages 1-56

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UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION

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PUBLIC MEETING ON  
CATEGORY 3 SOURCE SECURITY  
AND ACCOUNTABILITY

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Tuesday, February 28, 2017

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Houston Marriott at the  
Texas Medical Center  
6580 Fannin Street  
Houston, Texas

The above-entitled hearing was conducted  
at 6:00 p.m.

BEFORE:

GEORGE SMITH, Facilitator

NRC STAFF PRESENT:

LINDA EUSEBIO

MARK SHAFFER

GEORGE SMITH

DUNCAN WHITE

IRENE WU

A G E N D A

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P R O C E E D I N G S

(6:00 p.m.)

1  
2  
3 MR. SHAFFER: Good evening. My name is  
4 Mark Shaffer. I'm the director of the Division of  
5 Nuclear Material Safety in NRC Region IV Office in  
6 Arlington, Texas.

7 I want to thank you for participating in  
8 today's meeting. As you know, today we're here to  
9 discuss and will focus on the re-evaluation of  
10 Category 3 source security and accountability. Irene  
11 is going to cover some of the background on this  
12 topic, but just to introduce the issue just a bit, I  
13 want to note that the U.S. Government Accountability  
14 Office, GAO, conducted an audit of NRC's and the  
15 Agreement States' licensing processes, and during that  
16 audit they identified some concerns related to  
17 security and accountability for Category 3 sources.

18 So subsequent to the GAO's report, the NRC  
19 Commission directed the staff to perform a re-  
20 evaluation, including the pros and cons of different  
21 methods for validating licenses, and the pros and cons  
22 of including Category 3 sources in the National Source  
23 Tracking System.

24 Part of the Commission's directive to the staff is for  
25 us to engage with our stakeholders to fully assess the

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1 regulatory impact on any potential changes to existing  
2 processes and regulations.

3 So let me reiterate and make it clear  
4 tonight that we're not in a process of changing the  
5 regulations or the requirements. What we are doing is  
6 performing an evaluation that will support the  
7 development of recommendations to the Commission on  
8 whether or not requirements regarding security and  
9 accountability of Category 3 sources should be  
10 changed, and if changes are recommended, what should  
11 the changes or the new requirements be.

12 The results of this determination are not  
13 predetermined and the NRC has not yet made any  
14 decisions regarding changing existing regulations. On  
15 the contrary, we're in the early stages of performing  
16 this evaluation and this meeting today is part of our  
17 process to receive stakeholder feedback to help us  
18 formulate recommendations to the Commission.

19 The staff's recommendation to the  
20 Commission are due in August of this year. Ultimately  
21 the Commission will decide whether or not to pursue  
22 regulation changes related to the security of Category  
23 3 sources. So we recognize that obtaining stakeholder  
24 input is an important part of this effort and must be  
25 considered in our evaluation to enable us to develop

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1 well thought out and comprehensive sets of information  
2 and recommendation.

3 Today's public meeting is part of a series  
4 of meetings and webinars that we're hosting during the  
5 public comment period for this evaluation, and the  
6 public comment period closes on March 10 of this year.  
7 Therefore, to the extent you can, it would be very  
8 helpful to us if you could provide us with some  
9 specificity in your comments regarding any potential  
10 impacts that the changes to the existing requirements  
11 might have. We want to here all of your input, and  
12 again, let me emphasize if you can provide specificity  
13 it's really helpful for us to develop some well  
14 founded recommendations for the Commission.

15 So thank you for taking the time to  
16 participate in today's meeting. We're looking forward  
17 to an engaging dialogue. And wit that, I'll turn it  
18 back over to George who will be our facilitator for  
19 today.

20 MR. SMITH: As a reminder, for those that  
21 are in the room, the emergency exits are on your left  
22 and right, or you can use the escalator to go  
23 downstairs, and we'll meet across the street, and  
24 Irene will just want to account for everyone before  
25 you leave or if you decide not to stay if there's an

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1 emergency.

2 So we also have members of the NRC  
3 Agreement States Category 3 source security and  
4 accountability working group in attendance here and on  
5 the phone. They may ask clarifying questions to  
6 ensure we accurately capture your comments. And also,  
7 we want to remind everyone in the room that just to  
8 minimize any interruptions, please place your phone on  
9 courtesy mode, that's either silent or vibrate. And  
10 we understand, again, that you may have to take  
11 important phone calls or make important phone calls.  
12 We just ask that you do it outside of the room so we  
13 can accurately capture the comments today.

14 For those on the phone, please make sure  
15 you are logged into the webinar in order to follow  
16 along with the slide presentation. If you have not  
17 registered for the webinar, the webinar registration  
18 information is available in the public meeting notice  
19 on the NRC public meeting website. A copy of the  
20 slides used in today's meeting will be made available  
21 on the Category 3 web page located on the NRC website.

22 So now the agenda. First we'll go over  
23 the public comment process. Next we'll give a brief  
24 background on how we got here and why we are asking  
25 for your input. Then we will go over the different

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1 comment areas, open the floor for comments on each  
2 question, and then we'll open for comments on each  
3 question in the *Federal Register* notice. At the end  
4 of the meeting, we will provide information on the  
5 remaining Category 3 source security and  
6 accountability public meeting and webinar dates, and  
7 then close the meeting.

8 So this is a Category 3 public meeting  
9 which means we will be soliciting feedback to ensure  
10 your issues and concerns are presented, understood and  
11 considered by the NRC. This meeting is being  
12 transcribed to accurately capture your comments. Your  
13 comments during the public meeting and those submitted  
14 to the NRC will be considered by the NRC in preparing  
15 the report to the Commission as directed by the staff  
16 requirements memorandum for COMJMB-16-0001. The NRC  
17 does not plan to provide specific responses to  
18 stakeholder feedback during this meeting.

19 Please do not provide nonpublic official-  
20 use-only safeguards and/or classified information  
21 related to a specific facility.

22 For those on the phone, the operator will  
23 place you in a queue if you have comments to provide  
24 at today's meeting. The operator will inform you when  
25 you will be allowed to present your comments.

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1           If you do not have the opportunity to  
2 provide comments today or if you have additional  
3 comments, please submit your comments to the NRC by  
4 March 10, 2017, and you can submit those comments via  
5 the web at [ww.regulations.gov](http://ww.regulations.gov) for Docket ID NRC-2016-  
6 0276, or you can mail comments to Cindy Bladey, Office  
7 of Administration, Mailstop OWFN-12-H08, U.S. Nuclear  
8 Regulatory Commission, Washington, D.C. 20555-0001.  
9 Please include the Docket ID NRC-2016-0276 in the  
10 subject line of your submission.

11           I will now turn it over to Irene Wu who  
12 will provide some background information.

13           MS. WU: Thank you, George.

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

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

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1 and accountability of Category 3 sources.

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

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

20 In 2014 GAO initiated another audit of the  
21 materials licensing program to determine whether the  
22 licensing vulnerabilities identified in its 2007  
23 investigation had been addressed by the NRC and  
24 Agreement States. As part of its audit, GAO rented  
25 storefront warehouse space to demonstrate a fictitious

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1 company's legitimacy during pre-licensing visits.

2 The GAO was successful in one of three  
3 attempts and acquired a license for a Category 3 well  
4 logging source which they used to place one order for  
5 a Category 3 source. GAO then altered the license and  
6 used it to place a second order for an additional  
7 Category 3 source. In doing so, GAO effectively  
8 demonstrated the ability to obtain an aggregated  
9 Category 2 quantity of material, although at not point  
10 in the investigation were radioactive materials  
11 actually shipped to the fictitious company.

12 GAO published its final report for the  
13 material licensing audit and investigation in July of  
14 2016. In August of 2017 we plan to submit an notation  
15 vote paper to the Commission with our recommendations.

16 It is also relevant to note that recently  
17 we completed our comprehensive review of 10 CFR Part  
18 37 which are the physical protection requirements for  
19 Category 1 and 2 quantities of radioactive material.  
20 That report, which is publicly available, was sent to  
21 Congress in December of 2016, and the results of that  
22 assessment will inform our evaluation of Category 3  
23 source security and accountability, which is currently  
24 underway.

25 That was a quick high-level overview of

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1 how we got here, and I've included some resources on  
2 the slide if you want to delve further into the  
3 background.

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

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1 public interest groups, industry groups, and the  
2 reactor community to fully assess the regulatory  
3 impact of any recommendations to be made in the  
4 notation vote paper; and, lastly, any other factors to  
5 help inform the Commission's decision.

6 For those unfamiliar with some of these  
7 systems, let me provide a brief explanation of the  
8 National Source Tracking System web-based licensing  
9 system and the license verification system.

10 The National Source Tracking System, or  
11 NSTS, was deployed in 2008 and is a web-based system  
12 that accounts for high-risk radioactive sources from  
13 the time they are manufactured or imported through the  
14 time of their disposal or export, or until they decay  
15 enough to be no longer of concern.

16 While NSTS provides a relatively up-to-  
17 date accounting system regarding risk-significant  
18 source inventories, it is important to note that it is  
19 not a real-time tracking mechanism for sources.

20 Reporting to the NSTS is all after the  
21 fact, and the requirements for what is required to be  
22 reported can be found in 10 CFR 20.2207. These  
23 requirements include reporting licensee information,  
24 transaction date, source manufacturer, source model,  
25 source serial number, radioactive material in the

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1 source, and source activity.

2 The typical methods for reporting to the  
3 NSTS include direct reporting via online access,  
4 emailing or faxing the Form 748, the National Source  
5 Tracking Transaction Report, or providing an  
6 electronic batch file to be uploaded directly to NSTS.

7 The web-based licensing system, or WBL,  
8 was deployed in 2012 and is a licensing system that is  
9 accessible through the internet. At this time WBL  
10 access is limited only to regulators.

11 The objectives of WBL are to provide an  
12 up-to-date repository of all risk-significant or  
13 Category 1 and 2 licenses nationwide and to provide an  
14 up-to-date repository of all licenses of NRC and three  
15 Agreement States who have adopted the use of WBL.

16 Many states have expressed interest in  
17 using WBL, and we are currently working with several  
18 states towards full use of the system.

19 WBL is available to state agencies free of  
20 charge, and their adoption of the system and built-in  
21 process flows create more consistency in licensing for  
22 the states that use it.

23 States not using WBL directly provide NRC  
24 with their Category 1 and 2 licenses, as they are  
25 issued or amended, to be uploaded in WBL by our

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1 contractors. Having the most current Category 1 and  
2 licenses in WBL is essential for the functionality  
3 of the license verification system.

4 So the license verification system, or  
5 LVS, was deployed in 2013 and is a web-based system  
6 that enables authorized licensees to confirm that a  
7 license is valid and accurate and that a licensee is  
8 authorized to acquire quantities and types of  
9 radioactive materials being requested.

10 The process to verify a license is as  
11 follows: Step 1, an authorized customer requests a  
12 Category 1 or Category 2 quantity of radioactive  
13 material from an authorized supplier and provides a  
14 copy of its license or specific license information  
15 needed to query the license record through the License  
16 Verification System.

17 Step 2, the authorized supplier submits  
18 the issuing agency license number and either the  
19 amendment number or the license issue date to LVS in  
20 order to verify the official copy of the customer's  
21 license.

22 Step 3, LVS queries WBL to obtain the  
23 possession limit for Category 1 and 2 authorized  
24 materials and a copy of the license image.

25 Step 4, WBL provides the license

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1 information to LVS to compare the possession limits  
2 and current NSTS inventory.

3 Step 5, LVS queries the NSTS and compares  
4 the possession limit for Category 1 and 2 authorized  
5 materials to the current NSTS inventory.

6 Step 6, if the customer is above its  
7 possession limit in NSTS, LVS will display a message  
8 for the supplier to contact the regulator.

9 Step 7, if no issues exist, LVS will  
10 display the official license image obtained from WBL,  
11 and the authorized supplier notes that the license  
12 verification is complete in LVS.

13 Step 8, the supplier completes the  
14 purchase order, and the material is transferred to the  
15 customer.

16 Licensees opting not to have access to LVS  
17 or those receiving a message by LVS to contact the  
18 regulator must use the manual process to complete the  
19 verification of a license. And that process is  
20 facilitated by the transferring licensee contacting  
21 our help desk by phone or email to provide the  
22 necessary information to populate the NRC Form 749,  
23 also known as the manual license verification report.

24 To get access to these systems, applicants  
25 have to go through a credentialing process. So the

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1 credentialing process typically takes about a month to  
2 complete and includes an employment verification step,  
3 a determination that the person has a need to know,  
4 and an identity proofing step to verify that the  
5 person applying for the credential is who he or she  
6 claims to be.

7           Once the credentialing process is  
8 complete, the NRC issues an electronic credential  
9 which allows the systems to uniquely identify each  
10 user. The credentialing process is the same, so if a  
11 user has access to one system, they do not have to go  
12 through the full credentialing process again for the  
13 second system. They simply can contact our help desk  
14 to get access.

15           The credential used for NSTS and LVS is a  
16 one-time password, which, in combination with a  
17 personal identification number or PIN, will give them  
18 access to the systems. A one-time password, or OTP,  
19 is a password that is valid for only one log-in  
20 session. Currently NRC offers three types of OTPs:  
21 a card, a token, or a smartphone app. An OTP is  
22 provided to a user free of charge, and no software  
23 installation is necessary.

24           Some of the enhancements that are under  
25 consideration for this re-evaluation are:

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1 verification of Category 3 licenses through the LVS or  
2 the regulatory authority, as is done with Category 1  
3 and 2 licenses; inclusion of Category 3 sources in  
4 NSTS, as is done with Category 1 and 2 sources; and  
5 expanding physical security requirements to include  
6 Category 3 quantities of radioactive material along  
7 with Category 1 and 2 quantities of radioactive  
8 material. These potential enhancements form the basis  
9 for the questions in *Federal Register* notice that we  
10 issued on the subject, published on January 9, 2017.

11 The FRN lists 22 questions that are  
12 separated into sections based on the topics and  
13 applicability to relevant stakeholders. These  
14 include: general questions related to license  
15 verification, general questions related to the NSTS,  
16 specific questions for licensees related to license  
17 verification, specific questions for licensees related  
18 to NSTS, specific questions for Agreement States  
19 related to license verification, specific questions  
20 for Agreement States related to the NSTS and other  
21 questions.

22 The NRC wants to clarify while the *Federal*  
23 *Register* notice included questions directed towards  
24 particular stakeholders, the NRC is actually looking  
25 for comment and responses from all members of the

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1 public on all questions. The FRN grouped questions in  
2 a particular fashion to facilitate from some  
3 stakeholders that may wish to provide some input to  
4 this activity but may have limited resources to do so,  
5 but all members of the public are welcome to provide  
6 their thoughts on any of the listed questions.

7 So before we move on to the comment  
8 portion of this period, I did want to include a slide  
9 to show the different thresholds for Category 1, 2,  
10 and 3 quantities of radioactive material.

11 As you can see from the table, the  
12 Category 3 threshold is greater than one-tenth of the  
13 Category 2 threshold but less than the Category 2  
14 threshold. Also of note is that the list of  
15 radionuclides that are currently subject to physical  
16 security requirements in 10 CFR Part 37 is different  
17 than the list of radionuclides included in NSTS.

18 The four radionuclides highlighted in the  
19 table are the radionuclides that are included in NSTS  
20 but not subject to 10 CFR Part 37. The main reason  
21 that these four radionuclides were included in NSTS is  
22 because the Department of Energy likely possesses  
23 these isotopes, and they do report to the National  
24 Source Tracking System.

25 I will now turn the meeting back over to

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1 George, who will solicit comments from meeting  
2 participants.

3 MR. SMITH: Thank you, Irene.

4 So before we move on to the comment  
5 portion of the meeting, are there any questions on  
6 Irene's slides?

7 (No response.)

8 MR. SMITH: Tyler, are there any  
9 indications on the phone line that there are questions  
10 on Irene's slides?

11 THE OPERATOR: I'm currently showing no  
12 questions in queue.

13 MR. SMITH: Any indications on the web?

14 MS. EUSEBIO: No questions on the web.

15 MR. SMITH: Okay. We'll wait a couple of  
16 seconds just to give you an opportunity to make any  
17 comments on the web or if there are any additional  
18 questions or comments on Irene's slides.

19 (No response.)

20 MR. SMITH: Okay. We will now transition  
21 into the comment portion of the meeting. As a  
22 reminder, we do not plan to provide specific responses  
23 to stakeholder feedback during this meeting. We're  
24 specifically seeking comments today. We will use  
25 these comments to inform our evaluation and

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1 recommendation.

2 We will provide a document summarizing all  
3 the comments we receive today, at other meetings and  
4 written comments that will be part of the notation  
5 vote paper to be submitted to the Commission in August  
6 2017.

7 Please do not provide nonpublic official-  
8 use-only safeguard and/or classified information  
9 related to a specific facility, and as a reminder,  
10 this meeting is being transcribed.

11 Before providing comments today, please  
12 state your name and the name of the organization, if  
13 any, that you are representing.

14 The first set of questions are general  
15 questions related to the license verification.  
16 Question 1: Should the current method for  
17 verification of licenses prior to transferring  
18 Category 3 quantities of radioactive material listed  
19 in 10 CFR 30.41(d)(1) through (5), 10 CFR 40.51(d)(1)  
20 through (5) and 10 CFR 70.42(d)(1) through (5) be  
21 changed such that only the methods prescribed in 10  
22 CFR 37.71 are allowed.

23 Tyler, do we have any indications of  
24 questions on the phone line or comments?

25 THE OPERATOR: There are still no

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1 questions or comments in queue.

2 MR. SMITH: Okay, great.

3 Any indications of questions or comments  
4 on the webinar?

5 MS. EUSEBIO: No comments on the webinar.

6 MR. SMITH: Thank you very much.

7 Now, we have some of the same attendees  
8 here at the second meeting as we had at the first, so  
9 if you guys have any comments, just indicate and we'll  
10 allow you to come up.

11 We'll give it a couple of second before we  
12 move on to the second question.

13 Also, as you can see on the slide, we've  
14 included a summary of the five methods of license  
15 verification that are described in 10 CFR Part 30, 40  
16 and 70.

17 We're going to move on to the second  
18 question. Also, throughout the meeting today if you'd  
19 like to revisit some of the questions that we've  
20 already covered, we still welcome those comments via  
21 the phone or the web, so throughout the meeting today  
22 if you'd like to revisit previous questions, we still  
23 would like those comments. Thank you.

24 So question number 2: Will there be an  
25 increase in safety and/or security if the regulations

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1 were changed to only allow license verification  
2 through the NRC license verification system, or LVS,  
3 or the transferee's license issuing authority for  
4 transfers of Category 3 quantities of radioactive  
5 material? If so, how much of an increase would there  
6 be?

7 Any clarifying comments on this question?

8 MS. WU: No clarifying comments.

9 MR. SMITH: Okay. Thank you.

10 Tyler, are there any indications of  
11 comments on the phone line?

12 THE OPERATOR: I still show no questions  
13 or comments on the phones.

14 MR. SMITH: Great. Thank you.

15 Any comments on the web?

16 Ms. EUSEBIO: There was one from Jeff  
17 Pettigrew. It seems like he didn't finish it.  
18 Wouldn't the LVS prevented the -- and stopped. So if  
19 you don't mind continuing your question, please. He  
20 didn't finish his question.

21 MR. SMITH: Okay. What's his name again?

22 MS. EUSEBIO: Jeff Pettigrew.

23 MR. SMITH: Okay, Jeff, if you can  
24 continue your question on the web, we'd welcome that  
25 comment. And we'll give you a couple of seconds,

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1 Jeff, for you to provide your comment on the web?

2 MS. EUSEBIO: I'm referencing the GAO  
3 sting on Texas. Wouldn't the LVS prevented the sting?  
4 And he's referencing the GAO sting on Texas.

5 MR. WHITE: Could you read the entire  
6 question again, please?

7 MS. EUSEBIO: Wouldn't the LVS prevented  
8 the sting? I'm referencing the GAO sting on Texas, et  
9 cetera.

10 MR. WHITE: If Category 3 sources, we did  
11 require LVS, it would have probably made it very  
12 difficult to do it, be kind of impossible, but again,  
13 we don't know for sure, bit it would have been a lot  
14 more difficult.

15 MR. SMITH: Any additional comments on the  
16 web?

17 MS. EUSEBIO: No additional comments on  
18 the web.

19 MR. SMITH: Okay. Tyler, any indication  
20 of comments on the phone line?

21 THE OPERATOR: I'm showing no comments or  
22 questions in queue.

23 MR. SMITH: Okay. Also, if there is  
24 anyone that has followup comments to the previous  
25 comment, we welcome that feedback also. So if we move

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1 on, we will address your comments. I'll give it a  
2 couple of seconds.

3 (Pause.)

4 MR. SMITH: So question number 3: If the  
5 NRC changed the regulations to limit license  
6 verification only through the LVS for the transferee's  
7 license issuing authority to transfer Category 3  
8 quantities of radioactive material, should licensees  
9 transferring Category 3 quantities to manufacturers  
10 and distributors be excepted from the limitation?

11 Any clarifying comments?

12 MR. WHITE: This is Duncan White, and the  
13 intent of this question was to really see if there was  
14 any other options in addition to just strictly having  
15 everybody that had Cat 3, both manufacturer and users  
16 or some variation where the manufacturer would be more  
17 responsibility to the end user. And again, to point  
18 out here is quite often transfers between Category 3  
19 sources between manufacturer and the end user more  
20 often than not is a direct transfer back and for.  
21 Category 3, a minority of the transfers, we believe,  
22 is from licensee to licensee. That's kind of the  
23 basis of our question.

24 MR. SMITH: Thank you.

25 Tyler, any indication of comments on the

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1 telephone?

2 THE OPERATOR: No questions in queue.

3 SPEAKER: Duncan, you might want to repeat  
4 what you just said. I did not catch really much of  
5 what was said. For some reason, there's a lot of  
6 cutting out going on. Unfortunately, I know you guys  
7 really worked hard to correct whatever phone issue was  
8 happening, but I really didn't hear most of what  
9 Duncan just said.

10 MR. WHITE: Can you hear me now okay?

11 MS. EUSEBIO: I can hear you now.

12 MR. WHITE: I had the microphone close  
13 before, I guess something wasn't on. Sorry about  
14 that.

15 Just to re-summarize, what I said was with  
16 regard to transfer of Category 3 sources between  
17 manufacturers and the end users, the licensees, unless  
18 it's verification, is that most transfers we're aware  
19 of for Category 3 are -- a majority of them, we  
20 believe, are directly between the manufacturer and the  
21 end user. A minority of them, we believe, is licensee  
22 to licensee, not involving a manufacturer.

23 So what we were looking for here is there  
24 another possible variation to having everyone follow  
25 a system or is there some variation where we could

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1 have a manufacturer take more of the burden of license  
2 verification compared to the end user to make it  
3 easier. So what we're looking for is input on that  
4 variation. If anyone has any ideas or thoughts on  
5 that, we would appreciate it.

6 Did you get all that?

7 SPEAKER: I got most of that.

8 MR. SMITH: Okay. Tyler, any indication  
9 of comments on the telephone line?

10 THE OPERATOR: I'm currently showing no  
11 questions or comments in queue.

12 MR. SMITH: Any comments on the web?

13 MS. EUSEBIO: Jeff Pettigrew said the  
14 audio on the telephone is extremely poor for speakers.

15 MR. SMITH: Okay. So what we'll do, we'll  
16 repeat any comments on the telephone line at this  
17 time, and we'll try to rectify that problem.

18 So we'll go to question number 4: Is  
19 there anything else we should consider when evaluating  
20 methods of license verification prior to transfer of  
21 Category 3 quantities of radioactive material?

22 Tyler, are there any indications of  
23 comments on the telephone line?

24 THE OPERATOR: I'm still showing no  
25 questions or comments in queue.

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1 MR. SMITH: Okay. Thank you.

2 Any comments on the web?

3 MS. EUSEBIO: No comments on the web.

4 MR. SMITH: Okay. Thank you.

5 And again, I'd like to emphasize the fact  
6 that if you want to revisit any questions or comments  
7 that were previously covered, we welcome any  
8 additional feedback from any of the stakeholders. So  
9 thank you very much.

10 Also, I'd like to remind everyone that  
11 today's meeting is being transcribed.

12 Not hearing any comments, we're going to  
13 move on to general questions related to the NSTS.

14 So question 1: Should Category 3 sources  
15 be included in the NSTS? Please provide a rationale  
16 for your answers.

17 Any clarifying comments?

18 MS. WU: No clarifying comments.

19 MR. SMITH: Great. Thank you.

20 So will give a second to give folks an  
21 opportunity to gather their thoughts, and hopefully we  
22 can provide some comments.

23 Tyler, any indication of comments on the  
24 telephone line?

25 THE OPERATOR: I'm still showing no

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1 questions or comments in queue.

2 MR. SMITH: Great. Thank you.

3 Any comments on the web?

4 MS. EUSEBIO: No comments on the web.

5 MR. SMITH: Thank you.

6 So this question is a really good  
7 question. Any clarification as far as including  
8 Category 3 in NSTS?

9 MS. WU: This is Irene Wu, NRC.

10 So in previous public meetings and  
11 webinars, the majority of feedback we received on this  
12 question was not in support of including Category 3  
13 sources in NSTS.

14 MR. SMITH: Okay. Thank you.

15 So Tyler, any additional comments on the  
16 telephone line?

17 THE OPERATOR: There is none in queue at  
18 this time.

19 MR. SMITH: Okay. Thank you.

20 Any additional comments on the web?

21 MS. EUSEBIO: Jeff Pettigrew: If Cat 3  
22 sources were to be included, then would Cat 4 sources  
23 be the next step?

24 MR. WHITE: This is Duncan White with NRC.

25 Currently the working groups are

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1 evaluating including Category 3 in NSTS, not Category  
2 4.

3 MR. SMITH: Great. Thank you. And thank  
4 you for the comment.

5 We'll give it a couple of seconds and  
6 hopefully we'll get some more comments.

7 (Pause.)

8 MR. SMITH: Not hearing any indications of  
9 comments on question 1, we'll go to question number 2.

10 If Category 3 sources are included in the  
11 NSTS, should the NRC consider imposing the same  
12 reporting requirements currently required for Category  
13 1 and 2 sources?

14 And those reporting requirements are in 10  
15 CFR 20.2207(f). And as you can see on the slide,  
16 we've included a summary of NSTS reporting  
17 requirements in 10 CFR 20.2207(f) which was mentioned  
18 on the earlier NSTS slide.

19 MR. SMITH: Tyler, any indications of  
20 comments on the phone line?

21 THE OPERATOR: We currently have no  
22 questions or comments in queue.

23 MR. SMITH: Okay, great.

24 MR. SMITH: Also, Tyler, are you having  
25 any issues of hearing us here in the room?

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1 THE OPERATOR: Not at this time; you sound  
2 fine.

3 MR. SMITH: Okay, great. Thank you.

4 Any additional comments on the web?

5 MS. EUSEBIO: No comments on the web.

6 MR. SMITH: Okay. Thanks.

7 So not hearing any comments, we're going  
8 to move on to question 3. Question 3: Should the NRC  
9 consider alternatives to current NSTS reporting  
10 requirements for Category 1 and 2 sources to increase  
11 the immediacy of information availability, such as  
12 requiring a source transfer to be reported prior to or  
13 on the same day as the source shipment day?

14 Any clarifying comments?

15 MR. WHITE: For Category 1 and 2, the  
16 requirement currently is that they have to report it  
17 to NSTS by the end of the next business day. The way  
18 the question is posed is it would be to require that  
19 to be done in a more expedient fashion.

20 MR. SMITH: Thank you very much. And that  
21 was Duncan White of the NRC.

22 Tyler, are there any indications of  
23 comments on the telephone line?

24 THE OPERATOR: There are currently none in  
25 queue.

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1 MR. SMITH: Great. Thank you very much.  
2 Any indications of comments on the web?

3 MS. EUSEBIO: No comments on the web.

4 MR. SMITH: Great. Thank you.

5 Again, we know our folks here in the room  
6 you were here the last meeting, but again, just  
7 indicate if you have any comments.

8 (No response.)

9 MR. SMITH: Not hearing any comments,  
10 we're going to move to question number 4.

11 And again, if you'd like to revisit any of  
12 the previous questions or comments that were made  
13 during the meeting, we welcome your feedback at any  
14 time during this meeting.

15 Question 4: Would there be an increase in  
16 safety and/or security if the regulations were changed  
17 to include Category 3 sources in the NSTS? If so, how  
18 much of an increase would there be?

19 So we have a comment on the web?

20 MS. EUSEBIO: Jeff Pettigrew: Does NRC  
21 currently have proper funding to audit within 24 hours  
22 the transfer of Cat 1 or Cat 2 sources? If not, what  
23 is the purpose of needing this information if it can't  
24 be acted upon?

25 MR. WHITE: This is Duncan White from the

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1 NRC.

2 If such a requirement was proposed and  
3 approved by the Commission, one part of that analysis  
4 would ensure that the staff and the contractors would  
5 be able to track this and actually verify it within  
6 the prescribed period of time. Again, that would be  
7 part of the cost-benefit analysis of the evaluation.  
8 So we would have to propose something, we would have  
9 be able to follow through on it.

10 MR. SMITH: Great. Thank you.

11 And if there's additional comments you'd  
12 like to make on that on the web, please do. We'd like  
13 to hear any kind of followup feedback on Duncan's  
14 answer to your question.

15 Tyler, are there any comments on the  
16 telephone line?

17 THE OPERATOR: Still show no questions or  
18 comments in queue.

19 MR. SMITH: Great. Thank you.

20 We'll give it a couple of seconds.

21 (Pause.)

22 MR. SMITH: Not hearing any comments,  
23 we're going to go to question number 5: Is there  
24 anything else we should consider as part of our  
25 evaluation of including Category 3 sources in the

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1 NSTS?

2 Tyler, any indications of comments on the  
3 telephone line?

4 THE OPERATOR: I'm currently showing no  
5 questions in queue.

6 MR. SMITH: Okay. Thank you.

7 Any indications of questions on the web?

8 MS. EUSEBIO: No questions or comments on  
9 the web.

10 MR. SMITH: Thank you.

11 We'll give it a couple of seconds just in  
12 case there are some comments that you'd like

13 (Pause.)

14 MR. SMITH: Okay. Not hearing any  
15 comments, we're going to go to slide 19, question 1.

16 So the next set of questions are related  
17 to license verification, and per the FRN, these are  
18 specific questions for licensees related to license  
19 verification, however, we welcome all stakeholders'  
20 comments. We like to hear all perspectives as they  
21 relate to these questions, so please provide your  
22 comments regardless if you're a licensee or not.

23 So question 1: It currently takes  
24 approximately one month to get credentialed to access  
25 the LVS. If you currently do not have online access

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1 to LVS and NRC establishes new requirements for  
2 license verification involving Category 3 quantities  
3 of radioactive material, would you be inclined to sign  
4 up for online access, or would you use alternative  
5 methods for license verification such emailing the NRC  
6 Form 749 which is the Manual License Verification  
7 Report to the LVS Help Desk or calling the license-  
8 issuing regulatory authority directly?

9 Again, we'd like to hear comments from all  
10 stakeholders related to this question.

11 Tyler, are there any indications of  
12 comments on the telephone line?

13 THE OPERATOR: I'm currently showing no  
14 one in queue.

15 MR. SMITH: Are there any clarifying  
16 comments on this, Irene or Duncan?

17 MR. WHITE: One of the things that we  
18 recognize for adding Category 3 to LVS is there are a  
19 number of licensees who have no experience with LVS.  
20 The reason for the question is to gauge whether  
21 they're inclined to do it electronically or do it  
22 manually just to get an idea how they would approach  
23 it. We recognize some licensees that have Category 1  
24 and 2 and Category 3, they would probably just  
25 continue what they're doing, but the people starting

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1 from scratch, just trying to get an idea of how they  
2 would approach it

3 MR. SMITH: Great. Thank you.

4 There's an indication of a comment on the  
5 web?

6 MS. EUSEBIO: From Jeff Pettigrew: How is  
7 the NSTS system secured from hacking considering what  
8 happened to the OPM? Having all the data in one place  
9 makes NSTS a more desirable target to bad actors.

10 MS. WU: This is Irene Wu, NRC.

11 So NSTS is currently designed with a lot  
12 of redundancy and servers in multiple places so that  
13 if it fails in one area, it will fail over to another  
14 and we're able to keep the system up and running with  
15 very little interruption. Periodically, we also do a  
16 security categorization and make sure that everything  
17 is still in check. And so we feel that the system is  
18 very secure as it is right now and currently holds  
19 about 1,400 licenses and about 75- to 80,00 sources in  
20 the National Source Tracking System and it has the  
21 capability of holding much more than that and handle  
22 the additional transactions.

23 MR. SMITH: Irene, thank you very much.

24 And Jeff, if there's any followup feedback  
25 or comments you'd like to make, please do, and we'll

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1 definitely entertain those comments.

2 MS. WU: This is Irene Wu with the NRC.

3 I'll also add that, as I mentioned  
4 earlier, there is a pretty extensive credentialing  
5 process to get access to the National Source Tracking  
6 System, so that also does limit that only people who  
7 have a need to know and have gone through that  
8 credentialing process have access.

9 MR. SMITH: And then also, there are  
10 security requirements for the computer system itself.

11 MS. WU: That's correct, George. This is  
12 Irene Wu with the NRC. There are security  
13 requirements and rules of behavior for using NSTS.

14 MR. SMITH: Great. Thank you.

15 Tyler, are there any indications of  
16 comments on the phone line?

17 THE OPERATOR: I'm currently showing no  
18 one in queue at this time.

19 MR. SMITH: Okay. Any additional comments  
20 on the web?

21 MS. EUSEBIO: No comments on the web.

22 MR. SMITH: Okay. Thank you.

23 So we'll go to question 2 on slide 20:  
24 Approximately how many transfers involving Category 3  
25 quantities of radioactive material do you do monthly?

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1 What percentage involves transfers directly to or from  
2 a manufacturer?

3 Again, per the FRN, this was a specific  
4 question for licensees related to license  
5 verification, however, we welcome any comment from any  
6 stakeholder. And also, I'd like to extend that to if  
7 you provide comments via the web or mail to the NRC,  
8 those mediums also we're soliciting comments from all  
9 stakeholders.

10 So Tyler, are there any indications of  
11 comments on the telephone line?

12 THE OPERATOR: There's currently no one in  
13 queue.

14 MR. SMITH: Any indications of comments on  
15 the web?

16 MS. EUSEBIO: No comments on the web.

17 And again, if we've covered questions or  
18 if you've heard comments that you'd like to make  
19 comments on or revisit, we welcome those comments at  
20 any time.

21 Not hearing any comments, we're going to  
22 go to question number 3: Should license verification  
23 be required when transferring to any established  
24 manufacturer?

25 Any clarifying remarks on this?

1 MR. WHITE: This is Duncan White of the  
2 NRC.

3 We recognize for Category 3 sources there  
4 are cases where there is routine exchanges of sources  
5 between the end user and the manufacturer, and once  
6 there's an established relationship there, we're  
7 asking does the end user have to repeatedly verify if  
8 they knew they're going to send it back to the exact  
9 same people over and over again.

10 MR. SMITH: Great. Thank you.

11 Tyler, any indications of comments on the  
12 phone line?

13 THE OPERATOR: No questions or comments  
14 from the phone line.

15 MR. SMITH: Great. Thanks.

16 Any indications of comments on the  
17 webinar?

18 MS. EUSEBIO: No comments on the webinar.

19 MR. SMITH: Okay. We'll give it a couple  
20 of seconds and then we'll move on.

21 Again, we really appreciate your comments  
22 and thank your for participating in the webinar and  
23 the meeting today. As a reminder, this meeting is  
24 being transcribed so we can accurately capture your  
25 comments.

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1                   So question 4: Do you have online access  
2 to LVS? If so, have you experienced any issues with  
3 LVS, do you have any recommendations on how to improve  
4 LVS?

5                   Tyler, any indications on comments on the  
6 phone line?

7                   THE OPERATOR: No questions or comments on  
8 the phone line.

9                   MR. SMITH: Okay. Linda, any indications  
10 of comments on the web?

11                  MS. EUSEBIO: No comments on the webinar.

12                  MR. SMITH: Great. Thank you very much.  
13 We'll give it a couple of seconds.

14                  (Pause.)

15                  MR. SMITH: Okay. We'll go on to slide  
16 21, and these are specific questions for licensees  
17 related to NSTS. Again, we'd like to emphasize the  
18 fact that we welcome all comments from all  
19 stakeholders.

20                  So question 1: It currently takes  
21 approximately one month to get credentialed to access  
22 NSTS. If you currently do not have online access to  
23 NSTS and NRC establishes new requirements for tracking  
24 Category 3 sources in the NSTS, would you be inclined  
25 to sign up for online access or would you use

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1 alternative methods for NSTS reporting, such as  
2 emailing or faxing the NRC Form 748, which is the  
3 National Source Tracking Transaction Report to the  
4 NSTS Help Desk?

5 Any clarifying comments?

6 MS. WU: This is Irene Wu, NRC.

7 So this question is really trying to get  
8 at whether if people have a lot of transactions that  
9 would need to be reported to the NSTS, and those types  
10 of transactions, as I stated before, would be  
11 manufacturing of the sources, importing the sources,  
12 transferring/receiving sources, exporting them,  
13 disassembling or disposing of, if you do a large  
14 number of those transactions, a lot of times we'll see  
15 those folks are the ones who will be more inclined to  
16 sign up for online access. Folks who don't have as  
17 many transactions, maybe they only change out sources  
18 a few times a year, we have found, at least for  
19 Category 1 and 2 sources, that they're more inclined  
20 to just do the emailing or faxing methods because they  
21 are reluctant to have to memorize yet another  
22 password.

23 MR. SMITH: Thank you very much, Irene.

24 Tyler, any indications of comments on the  
25 phone line?

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1 THE OPERATOR: No questions or comments on  
2 the phone lines.

3 MR. SMITH: Great. Thank you.

4 Linda, any indications of comments on the  
5 web?

6 MS. EUSEBIO: One question from Jeff  
7 Pettigrew: Would LVS be available for export  
8 licensing under Part 110?

9 MR. WHITE: This is Duncan White.

10 I believe that LVS is not used for export  
11 at this time. The process for getting an export  
12 license is they have a separate way of handling that  
13 that involves foreign country state departments, so  
14 they have a different way of handling it.

15 MR. SMITH: Great. Thank you.

16 And Jeff, if you have any followup  
17 comments, we welcome those comments via the web.

18 We're going to move on to question number  
19 2, and again, I'd like to emphasize the fact that if  
20 you want to revisit any questions or you have comments  
21 on previous comments, please provide them via the  
22 phone or the web.

23 Question 2: Do you have online access to  
24 the NSTS? If so, have you experienced any issues with  
25 the NSTS? Do you have any recommendations on how to

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1 improve the NSTS?

2 Tyler, any indications of comments on the  
3 phone line?

4 THE OPERATOR: No questions or comments  
5 from the phones.

6 MR. SMITH: Great. Thank you.

7 Linda, any indications of comments on the  
8 web?

9 MS. EUSEBIO: No comments on the web.

10 MR. SMITH: Okay. We'll give it a couple  
11 of seconds.

12 (Pause.)

13 MR. SMITH: Okay. Slide 22, these are  
14 specific questions for Agreement States related to  
15 license verification, and this is per the FRN. And  
16 again, we'd like to emphasize the fact that we'd like  
17 to have all stakeholder comments regardless if you're  
18 an Agreement State regulator. We would like to get  
19 all stakeholders' perspectives as relates to the  
20 following question.

21 Question 1: Approximately how many  
22 licenses do you authorize for Category 1, 2 and 3  
23 quantities of radioactive material?

24 Tyler, any indications of comments on the  
25 phone line?

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1 THE OPERATOR: No questions or comments on  
2 the phone.

3 MR. SMITH: Okay. Linda, any indications  
4 of comments on the web?

5 MS. EUSEBIO: No comments on the web.

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

7 We'll go to question number 2: If license  
8 verification for the LVS or the transferee's license  
9 issuing authority is required for transfers involving  
10 Category 3 quantities of radioactive material, would  
11 you encourage the use of LVS among your licensees, or  
12 plan for the additional burden imposed by the manual  
13 license verification process?

14 Tyler, any indications of comments on the  
15 telephone line?

16 THE OPERATOR: No questions or comments on  
17 the phone lines.

18 MR. SMITH: Linda, any indications of  
19 comments on the web?

20 MS. EUSEBIO: No comments on the web.

21 MR. SMITH: Okay. We'll give it a couple  
22 of seconds.

23 (Pause.)

24 MR. SMITH: We'll move on to slide 23.  
25 These are specific questions for Agreement States

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1 related to license verification. But again, we'd like  
2 to emphasize that we'd like to have all stakeholders'  
3 perspective, so please provide your comments,  
4 regardless if you are a representative from an  
5 Agreement State.

6 So question 3: If license verification  
7 through the LVS or the transferee's license issuing  
8 authority is required for transfers involving Category  
9 3 quantities of radioactive material, would you  
10 consider adopting the web-based licensing system, WBL,  
11 to ensure that the most up-to-date licenses are  
12 available for license verification using the LVS or  
13 voluntarily provide your Category 3 licenses (similar  
14 to what some Agreement States do now for Category 1  
15 and 2 licenses) to be included in WBL, or would you do  
16 neither and prefer licensees to use the manual license  
17 verification process?

18 Any clarifying remarks?

19 MR. WHITE: This is Duncan White from the  
20 NRC.

21 Again, what we recognize here is the  
22 potential additional burden that if we add Category 3  
23 quantities that had to be verified by the Agreement  
24 State, would it be easier to just adopt WBL or would  
25 they bite the bullet and do manual verification?

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1 Again, I should point out that for Agreement States  
2 who adopt WBL, it requires them to interface with  
3 their computer systems, and again, Agreement States,  
4 for a variety of reasons, may or may not be able to  
5 use WBL. That may have nothing to do with their  
6 desire to use it but it may be they have internal  
7 requirements to use a certain system or their system  
8 and their firewall may not interact well with the NRC  
9 system. Again, there's various reasons for that.

10 But again, what we're getting at for this  
11 particular question is the potential increased burden  
12 for doing Category 3, would that push you to adopt WBL  
13 or not.

14 MR. SMITH: Great. Thank you.

15 Tyler, any indications of comments on the  
16 telephone line?

17 THE OPERATOR: No questions or comments  
18 from the phones.

19 MR. SMITH: Great. Thank you.

20 Linda, any comments on the webinar?

21 MS. EUSEBIO: No comments on the webinar.

22 MR. SMITH: Okay. Thank you very much.

23 We'll give it a couple of seconds before  
24 we go to the next question.

25 (Pause.)

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1 MR. SMITH: Okay. Not hearing any  
2 comments, we're going to move on to question number 4:  
3 What would the impact in time and resources be on your  
4 program to handle the additional regulatory oversight  
5 needed for Category 3 licensees if license  
6 verification through the LVS or the transferee's  
7 license issuing authority was required for transfers  
8 involving Category 3 quantities of radioactive  
9 material?

10 Again, we welcome all stakeholders' input  
11 on this question. We would like to receive your  
12 feedback regardless if you are representing an  
13 Agreement State or not.

14 MR. WHITE: This is Duncan White.

15 Some of the feedback we've received at  
16 other webinars and public meetings from both Agreement  
17 States and licensees, they both indicated there would  
18 be an increase burden for that. Particularly, a  
19 couple of licensees indicated that in their experience  
20 with their Agreement State, it would be a challenge  
21 because of the resource -- the lack of sufficient  
22 personnel on their staff to do what they need to do  
23 now and this would increase burden. So again, looking  
24 for any sort of feedback from anybody on their  
25 experiences as an Agreement State regulator or member

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1 of the public or licensee on how they would view that.

2 MR. SMITH: Great. Thank you very much,  
3 Duncan.

4 Any comments on the telephone line, Tyler?

5 THE OPERATOR: No questions or comments  
6 from the phone lines.

7 MR. SMITH: Great.

8 Linda, any comments on the web?

9 MS. EUSEBIO: One comment from Jeff  
10 Pettigrew: Would NSTS source tracking be required  
11 when dispatching to temporary job sites, such as in  
12 well logging and radiography?

13 MS. WU: This is Irene Wu, NRC.

14 So we issued a regulatory issue summary on  
15 the topic of temporary job sites and reporting to the  
16 National Source Tracking System in the last several  
17 years, and the guidance that's in that RIS basically  
18 states that for Category 1 and 2 sources right now  
19 that most transactions involving temporary job sites  
20 do not have to be reported to NSTS. Specific cases  
21 where reporting is necessary would be in the instance  
22 where a manufacturer is sending a source directly to  
23 a licensee at a temporary job site, or vice versa, the  
24 licensee is sending the source back from a temporary  
25 job site directly to the manufacturer.

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1           So if we were to expand the NSTS to  
2 include Category 3 sources, that same guidance would  
3 likely apply, but again, we're still early in the  
4 process and welcome your feedback.

5           MR. WHITE: This is Duncan White.

6           I'd like to add to what Irene said, again,  
7 this is all predicated on the fact that we would limit  
8 the NSTS exactly as we do for Category 1 as we do for  
9 Category 3, and again, any changes to NSTS to add  
10 Category 3 requires rulemaking, Commission approval,  
11 and that may change how things are done. Again, that  
12 would have to be looked at when we get to that point.

13          MR. SMITH: Great. Thank you.

14          Tyler, any additional comments on the  
15 telephone line?

16          THE OPERATOR: No questions or comments  
17 from the phones.

18          MR. SMITH: Okay. Any followup comments  
19 on the web?

20          MS. EUSEBIO: No comments on the web.

21          MR. SMITH: Okay. Jeff, also, if you'd  
22 like to make additional followup comments, we would  
23 welcome those comments.

24                 Anyone else on the telephone line or the  
25 web, we welcome your comments also. Again, we'd like

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1 to get feedback from all stakeholders.

2 Not hearing any comments at this time,  
3 we're going to move on to question 1 on slide 25. So  
4 again, these are specific questions per the FRN for  
5 Agreement States related to the NSTS, and again, we  
6 continue to solicit comments from all stakeholders  
7 regardless if you're a representative from an  
8 Agreement State or not. So we would like your  
9 perspective on these questions also. We welcome any  
10 comment from any stakeholder.

11 So question 1: The NRC currently  
12 administers the annual inventory reconciliation  
13 process on behalf of the Agreement States. This  
14 process involves providing hard copy inventories to  
15 every licensee that possesses nationally tracked  
16 sources at the end of the year, processing corrections  
17 to inventories, and processing confirmations of  
18 completion of the reconciliation into the NSTS. The  
19 process involves a significant amount of staff time  
20 and resources from November to February. If the  
21 Agreement States were to adopt administration of the  
22 annual inventory reconciliation process, and if  
23 Category 3 sources were included in the NSTS, what  
24 would the additional regulatory burden be on the  
25 Agreement States to perform the annual inventory

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1 reconciliation for Category 1, 2 and 3 sources?

2 Any clarifying comments on this question?

3 MR. WHITE: No.

4 MR. SMITH: Great. Thanks.

5 Tyler, any indications of comments on the  
6 phone line?

7 THE OPERATOR: No questions or comments  
8 from the phone lines.

9 MR. SMITH: Great. Thanks.

10 Linda, any indications of comments on the  
11 web?

12 MS. EUSEBIO: No comments on the webinar.

13 MR. SMITH: Okay. Thank you very much.

14 We'll stand by for a couple of seconds  
15 just to give stakeholders an opportunity to provide  
16 comments.

17 (Pause.)

18 MR. SMITH: So again, I'd like to  
19 emphasize the fact that we welcome all comments,  
20 regardless if we've already covered some of the  
21 questions. We think this is a very important subject  
22 and we welcome comments from all stakeholders.

23 Okay. Not hearing any additional  
24 comments, we're going to go to slide 26. These are  
25 the last set of questions for our meeting today, and

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1 again, we can revisit any comments or questions that  
2 we have presented today in the meeting.

3 So question 1: Should physical security  
4 requirements for Category 1 and 2 quantities of  
5 radioactive material be expanded to include Category  
6 3 quantities?

7 Tyler, any comments on the telephone line?

8 THE OPERATOR: No questions or comments on  
9 the phone lines.

10 MR. SMITH: Any clarifying comments here  
11 in the room?

12 MR. WHITE: This is Duncan White from NRC.

13 The feedback we've heard from participants  
14 at webinars and public meetings so far has been pretty  
15 universal and they do not think it's appropriate to  
16 expand Part 37 requirements for Category 1 and 2 to  
17 Category 3 quantities of material.

18 MR. SMITH: Okay, great. Thank you very  
19 much.

20 Tyler, any additional comments on the  
21 telephone line?

22 THE OPERATOR: No additional comments from  
23 the phone lines.

24 MR. SMITH: Any additional comments on the  
25 webinar?

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1 MS. EUSEBIO: No comments on the webinar.

2 MR. SMITH: Okay. So we'll move on to  
3 question number 2: Some Category 3 sources are  
4 covered under a general license (10 CFR 31.5). Should  
5 the NRC consider establishing maximum quantities in  
6 general licensed devices, thereby reserving  
7 authorization to possess Category 1, 2 and 3  
8 quantities of radioactive material to specific  
9 licensees?

10 Tyler, any comments or questions on the  
11 phone line?

12 THE OPERATOR: No comments from the phone  
13 lines.

14 MR. SMITH: Okay, great. Thank you very  
15 much.

16 Any comments, Linda, on the webinar?

17 MS. EUSEBIO: No comments on the webinar.

18 MR. SMITH: Okay. Thank you.

19 We'll give it a couple of seconds.

20 (Pause.)

21 MR. SMITH: Okay. So before we close out  
22 the comment portion of this meeting, I wanted to open  
23 up the floor for any final thoughts or comments on any  
24 aspects of this evaluation. Does anyone have any  
25 final thoughts or additional comments they'd like to

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1 make?

2 (No response.)

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

5 THE OPERATOR: I have no questions or  
6 comments from the phone lines.

7 MR. SMITH: Linda, any additional comments  
8 on the webinar?

9 MS. EUSEBIO: No comments on the webinar.

10 MR. SMITH: Okay. Since those are the  
11 last comments, I'll give it about a minute to allow  
12 those who may have some additional comments from  
13 previous questions or comments to provide those  
14 comments at this time.

15 We'd also like to remind you that you can  
16 provide your comments, if you don't have an  
17 opportunity to provide those comments today, you can  
18 provide those comments via the web or mail your  
19 comments to the NRC. The closeout date of the *Federal*  
20 *Register* notice is March 10, 2017.

21 Okay. There is an indication of a comment  
22 or question on the web.

23 MS. EUSEBIO: Question from Jeff  
24 Pettigrew: Would an oilfield yard with pumping units,  
25 each having a GLD slurry gauge attached, be subject to

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1 the aggregation rule when each gauge is secured to  
2 each truck?

3 MR. WHITE: Thank you for the comment.  
4 The current requirement for generally licensed  
5 devices, they are exempt from most requirements in the  
6 regulation. There's very few things that they are  
7 required to do. The reason we asked this question as  
8 it applies to Category 3 is to get feedback from the  
9 licensees, the public and the states on what would we  
10 do with Category 3 generally licensed devices.

11 Again, a Category 3 generally licensed  
12 device is the same thing as a Category 3 specifically  
13 licensed device from a risk and a radiation hazard  
14 standpoint, and what we're trying to see is are there  
15 any changes needed to be made to enhance the security  
16 or safety of them. And again, we appreciate the  
17 comment that Mr. Pettigrew made because it's something  
18 we have to consider when we are looking at how do we  
19 handle these types of sources.

20 Again, generally licensed devices are  
21 inherently safe, but again, they don't have many  
22 requirements, and one of the things we may have to  
23 consider is should we enhance those requirements,  
24 maybe not make it specifically licensed but maybe  
25 enhance the requirements of that service.

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1           Appreciate the example he gave because it  
2 was very helpful.

3           MR. SMITH: Great. Thank you.

4           And also, Jeff, we're going to give a  
5 couple of seconds just to make sure if you have any  
6 followup comments, we welcome those comments.

7           And if there's anyone else out there on  
8 the telephone line or the webinar who would like to  
9 make additional comments, we'd welcome those comments  
10 at this time.

11           (Pause.)

12           MR. SMITH: Okay. Thank you very much.  
13 We really appreciate all the comments and questions  
14 that we received today.

15           So the NRC will hold one additional  
16 webinar on Category 3 Source Security and  
17 Accountability during the public comment period for  
18 this effort. The webinar is scheduled for Thursday,  
19 March 2, from 1:00 to 4:00 p.m. Eastern Standard Time.  
20 The webinar is noticed on the public meeting website  
21 link from our website, so if you would like to  
22 register, please use the link from the meeting notice.

23           Finally, we'd like to remind you that the  
24 public comment period for the FRN that provides these  
25 questions closes on March 10, 2017. We encourage your

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1 response to the FRN and appreciate your participation  
2 in today's meeting.

3 So a copy of the slides used in today's  
4 meeting will be made available on the Category 3 web  
5 page located on the NRC's website under Radioactive  
6 Materials Security, and that's under  
7 [www.NRC.gov/security/byproduct/category-3-source-](http://www.NRC.gov/security/byproduct/category-3-source-security-accountability-re-evaluation.html)  
8 [security-accountability-re-evaluation.html](http://www.NRC.gov/security/byproduct/category-3-source-security-accountability-re-evaluation.html).

9 If you have any additional questions  
10 related to this meeting or to Category 3 source  
11 security and accountability re-evaluation, please  
12 contact either Duncan White, and Duncan can be reached  
13 via email [duncan.whit@nrc.gov](mailto:duncan.whit@nrc.gov), and his work number is  
14 301-415-2958, or Irene Wu, and Irene can be reached at  
15 [irene.wu@nrc.gov](mailto:irene.wu@nrc.gov), or via phone 301-415-1951.

16 Thank you very much for participating in  
17 today's meeting.

18 (Whereupon, at 7:18 p.m., the meeting was  
19 concluded.)

20

21

22

23

24

25