

June 20, 2007

MEMORANDUM TO: Luis A. Reyes  
Executive Director for Operations

FROM: Andrew L. Bates, Acting Secretary **/RA/**

SUBJECT: STAFF REQUIREMENTS - SECY-07-0066 - ANNUAL REPORT  
TO THE COMMISSION ON LICENSEE PERFORMANCE IN THE  
MATERIALS AND WASTE PROGRAMS - FISCAL YEAR 2006

The Commission has approved the Annual Report to the Commission on Licensee Performance in the Materials and Waste Programs for Fiscal Year 2006.

However, in the future, Nuclear Materials Events Database (NMED) quarterly reports and annual licensee performance reports should be changed to make the IAEA Code of Conduct the central focus on matters of lost, abandoned, and stolen material. This will require a substantive change to the report in the way the data is presented, and conforming changes to the NMED Executive Summary and Section (4) of the annual licensee performance report to the Commission. For example, the staff should redesign and risk-inform the current charts and tables, in which events of lower significance are summarized with events of higher significance. Staff should not summarize data from different events that have different risk significance in the same chart. The staff should also consider summarizing events of low safety significance, such as 10 CFR 20.2201(a)(ii) reports, in a separate document. To avoid potential miscommunication, the Performance and Strategic Measures data should also be removed from the NMED quarterly report and summarized elsewhere with an explanation of any differences. If data is moved to other documents, the staff should ensure no information is removed from public availability and should clearly explain where the information previously available in the NMED report can now be found. In addition, the cover page should be modified to reflect that this is a report contracted by the NRC and it should also include the NRC logo from our branding initiative.

cc: Chairman Klein  
Commissioner McGaffigan  
Commissioner Merrifield  
Commissioner Jaczko  
Commissioner Lyons  
OGC  
CFO  
OCA  
OPA  
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)  
PDR