

September 18, 2007

MEMORANDUM TO: Luis A. Reyes  
Executive Director for Operations

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

SUBJECT: STAFF REQUIREMENTS - SECY-07-0147– RESPONSE TO  
GAO RECOMMENDATIONS AND OTHER  
RECOMMENDATIONS TO ADDRESS SECURITY ISSUES IN  
THE NRC MATERIALS PROGRAM

The Commission has approved the staff's Action Plan to respond to recommendations for addressing security issues associated with the NRC materials program, subject to the comments below.

The Independent External Review Panel should be chartered by and report directly to the Executive Director for Operations. The Independent External Review Panel should brief the Commission offices with their interim and final findings and provide the Commission with a copy of its draft and final reports.

The most pressing issues involve trustworthiness of applicants for new licenses and authenticity of transactions involving licensees. In evaluating potential solutions to these issues the staff should consider developing practical common sense approaches such as requiring site visits to potential applicant's businesses and phone calls between the appropriate regulatory agency and one or both licensees involved in a transaction to verify the validity of the parties' licenses.

Many of the issues dealing with security cross state boundaries and require a consistent national implementation program. In those circumstances in which the States appear to lack authority to implement solutions -- as in the recent challenges with implementing the fingerprinting requirements for unescorted access to nuclear materials -- the staff should immediately inform the Commission of the problems and the staff's plans for resolving any impediments to implementing the requirements.

The staff should continue its efforts to fund Agreement States activities, to the maximum extent allowed under current law and explore the possibility of other federal programs providing support to implement security actions, including the possibility of requesting specific legislation.

Successful implementation of this action plan in a timely manner is essential for the NRC. The staff must identify interim actions which are tracked, completed, and documented. The Agreement States should be heavily involved in this activity to ensure practical solutions are implemented quickly. The staff should complete actions as soon as practical and not wait for perfect solutions. The staff should keep the Commission appropriately informed of the progress of the independent external review panel, the pre-licensing working group, and the materials program working group. The staff should provide periodic status reports on the progress of the Plan.

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