

**U.S. Nuclear Regulatory Commission  
Implementation Plan for the Radiation  
Source Protection and Security  
Task Force Report**

## Introduction

The Energy Policy Act of 2005, hereafter called the EAct, requires establishment of an interagency task force on radiation source protection and security under the lead of the U.S. Nuclear Regulatory Commission (NRC). The Task Force is to evaluate and provide recommendations to the President and Congress relating to the security of radiation sources in the United States from potential terrorist threats, including acts of sabotage, theft, or use of a radiation source in a radiological dispersal device (RDD).

The Task Force was to evaluate and make recommendations for possible regulatory and legislative changes on several specific topics related to the protection and security of radiation sources. For the purposes of the Task Force, the EAct defines a radiation source as a "Category 1 Source or a Category 2 Source as defined in the Code of Conduct<sup>1</sup> and any other material that poses a threat such that the material is subject to this section, as determined by the Commission, by regulation, other than spent nuclear fuel and special nuclear material." Although the EAct refers to, 'radiation sources,' this implementation plan uses the more common term, 'radioactive sources.'

The Task Force is required to submit its reports to Congress and the President. The first report of the Interagency Radiation Source Protection and Security Task Force was submitted to the President and Congress on August 15, 2006. Subsequent reports are to be submitted not less than once every 4 years. The first report contained 10 recommendations and 18 actions that address security and control of radioactive sources.

The EAct further requires the Commission to ". . . in accordance with the recommendations of the task force . . . take any action the Commission determines to be appropriate, including revising the system of the Commission for licensing radiation sources." The staff has developed this implementation plan to outline and track the actions that NRC plans to take to address the recommendations and actions contained in the Task Force report.

### Development of the Implementation Plan

NRC has developed a plan for implementing the Task Force recommendations and actions. A specific implementation plan was drafted for each of the Task Force recommendations and actions. These targeted plans constitute the body of this report. NRC offices involved in the implementation of the recommendations and actions are Federal and State Materials and Environmental Management Programs (FSME), Nuclear Material Safety and Safeguards (NMSS), Nuclear Security and Incident Response (NSIR), International Programs (IP), Nuclear Regulatory Research (RES), General Counsel (OGC), and Public Affairs (OPA). Other agencies involved in implementation are Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA), Transportation Security Administration (TSA), Department of State (DOS), Department of Transportation (DOT), Department of Defense (DOD), Federal Bureau of Investigations (FBI), Central Intelligence Agency (CIA), Environmental Protection Agency (EPA), Department of Commerce (DOC), Department of Energy (DOE), Department of Justice (DOJ), Food and Drug Administration (FDA), and Office of the Director of National Intelligence (ODNI).

### Organization of the Implementation Plan

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<sup>1</sup> "Code of Conduct on the Safety and Security of Radioactive Sources," approved by the Board of Governors of the International Atomic Energy Agency and published January 2004.

Each entry in the main body of the plan presents a strategy for implementing an individual Task Force recommendation or action. Where appropriate, the individual plans include task breakdowns and a discussion of any known issues which could complicate implementation.

The Implementation Plan will be a living document. FSME will regularly update the plan as implementation of the recommendations and actions progresses. The NRC Implementation Plan will be provided to the Task Force and integrated into a Task Force Implementation Plan.

**Implementation Plans for Individual  
Recommendations and Actions**

<b>Recommendation 3-1</b>	<b>Reevaluation of Sources that Warrant Enhanced Security and Protection</b>	NRC/DOE lead
		August 8, 2010

Task: The Task Force recommends that the U.S. Government periodically reevaluate the list of radioactive sources that warrant enhanced security and protection to assess their adequacy, in light of the evolving threat environment.

Cite: Chapter 3 - Radioactive Source Lists

Report Context:

The Code of Conduct serves as an appropriate framework for considering which sources warrant additional protection. The Code of Conduct considers that a country should “define its domestic threat, and assess its vulnerability with respect to this threat for the variety of sources used within its territory, based on the potential for loss of control and malicious acts involving one or more radioactive source.” In general, the U.S. programs adhere to this philosophy. However, the threat environment is not static, but is continually changing. Therefore, it is good practice to occasionally reevaluate the potential attractiveness of the radioactive sources. The Task Force recommends that the U.S. Government periodically reevaluate the list of radioactive sources that warrant additional security and protection. This reevaluation should be coordinated within the Federal family and can be performed as part of the Task Force activities every 4 years. If the reevaluation determines that the list of sources should be expanded, the U.S. Government should consider appropriate revisions to our national requirements and work with the international community to revise the Code of Conduct, as appropriate.

Potential Issues: No known issues.

Agencies Involved: All Task Force agencies. The current Subgroup is composed of representatives from NRC, DOE, DOS, DOD, DHS and ODNI.

Program Office Action: The source list will be reevaluated as part of the Task Force activities every 4 years. The Subgroup on Source Lists will conduct the reevaluation, this Subgroup has been sunset until the next cycle. NRC and DOE will co-lead the subgroup when it is reformed.

Resources: Resources are not budgeted specifically for this activity. This activity would be considered part of routine activities.

<b>Recommendation 3-1</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
Task Force	Reactivate the Sources Subgroup	4/30/09
Sources Subgroup	Subgroup to reevaluate as part of next Task Force Report - initial evaluation	12/31/09
Sources Subgroup	Recommendation/Conclusion to Task Force	1/31/10

<b>Recommendation 4-1</b>	<b>Public Education Campaign</b>	DHS lead
		Ongoing

Task: The Task Force recommends that there be a coordinated public education campaign (Federal, State, and industry) to reduce fears of radioactivity, diminish the impact of a radiological attack if one were to occur, and provide a deterrent to attackers considering the use of radiological materials.

Cite: Chapter 4 - Security and Control of Radioactive Sources

Report Context:

Another important aspect of response training is public education. Proactively educating the public about the radiation risks of an RDD may reduce the public's anxiety and ameliorate the psychological impacts in the event of RDD attack and thereby mitigate some of the physical and social disruption consequences caused by fear and panic. Agencies should coordinate this effort to avoid duplication of effort and ensure the consistency of the intended message. Therefore, the Task Force recommends that there be a coordinated interagency (Federal and State) campaign, which would work with industry groups, to educate the public on the effects of and response to an RDD event.

Potential Issues: No known issues.

Agencies Involved: All Task Force agencies.

Program Office Action: DHS had the lead for this effort. NRC offices of FSME, NMSS, IP, RES, NSIR, and OPA will participate as appropriate. No specific actions have been identified for NRC.

Resources: NRC does not have any resources specifically budgeted for this effort. NRC will participate as appropriate.

<b>Recommendation 4-1</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
	No specific NRC actions.	

<b>Recommendation 4-2</b>	<b>Coordination and Communication for Radiation Protection and Security Programs</b>	Task Force/NRC lead
		Ongoing

Task: The Task Force recommends that the Federal agencies and States continue efforts to improve coordination and communication of their ongoing activities in the area of radiation protection and security for Category 1 and 2 sources.

Cite: Chapter 4 - Security and Control of Radioactive Sources

Report Context:

Federal and State agencies are implementing many activities and programs related to radioactive source protection and security. These activities and programs require coordination and cooperation between the interested stakeholders to ensure that their approaches do not conflict and avoid duplication of effort. While coordination and communication of efforts does occur, improvement is always possible and helps to improve the programs. Therefore, the Task Force recommends that the Federal agencies and States continue efforts to improve coordination and communication of their ongoing activities in the area of radiation protection and security for Category 1 and 2 radioactive sources. This Task Force is one mechanism for improving coordination.

Potential Issues: No known issues.

Agencies Involved: All Task Force agencies.

Program Office Action: The coordination and communication of activities is to be facilitated through the Task Force, which NRC leads. The Director of FSME serves as the point of contact for Task Force activities, and FSME staff coordinate the Task Force activities. The Task Force will continue to meet 2 times a year, at a minimum, to discuss topics of interest and to receive status reports on the implementation of the recommendations and actions. The Task Force will meet with other committees, task forces, working groups, organizations, etc. in order to exchange information on activities. The Task Force will also consider hosting a public meeting on a periodic basis. Task Force members will strive to keep other members informed of various presentations, etc. by informing the Task Force of meetings and to provide presentation material to other members for information purposes only. The Task Force will develop an integrated implementation plan and will update the plan to indicate progress before each meeting. FSME will facilitate the exchange of information.

NRC staff participation on other committees and working groups, which have outside stakeholder participation, also serves to meet the coordination and communication activities.

Resources: The FSME budget contains 1 FTE for Task Force related activities in FY 07 and FY 08. The resources necessary to run the Task Force are covered by the 1 FTE. Participation in other committees and working groups would be covered as part of routine activities.

<b>Recommendation 4-2</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
NMSS, FSME	Task Force Meeting	Completed 9/6/06
Task Force	Provide Agency Implementation Plans to NRC for integration	11/15/06
FSME, Task Force	Task Force Meeting	12/6/06
FSME, Task Force	Integrated Implementation Plan	12/29/06
FSME, Task Force	Task Force Meetings	April and October of each year



<b>Recommendation 5-1</b>	<b>Transportation Security Memorandum of Understanding</b>	NRC lead
		1/31/2008

Task: The Task Force recommends development of a Transport Security Memorandum of Understanding to serve as the foundation for cooperation in the establishment of a comprehensive and consistent transport security program for risk-significant sources.

Cite: Chapter 5 - Transportation Security of Radioactive Sources

Report Context:

The current MOU between DOT and the NRC has served as the foundation of cooperation and consultation for the transportation safety program. However, it does not cover transportation security. TSA is primarily involved in transportation security and it was not a signatory to the existing MOU. Because of the importance of transportation security, there should be a similar MOU that addresses it. Therefore, the Task Force recommends that an MOU for transportation security of risk-significant sources be developed. This agreement, similar to the one for transport safety, would clarify the roles and responsibilities of each agency, forge a spirit of cooperation and awareness among the participants, reduce duplication of efforts, and most importantly ensure development of a comprehensive and consistent transport security program.

Potential Issues: No known issues.

Agencies Involved: NRC, DOT, DHS, DOE.

Program Office Action: NSIR will initiate discussions with DOT and DHS to develop a MOU on transportation security. NSIR will keep DOE informed of activities, however, DOE will not be directly involved in the discussions and will not be a signatory to the MOU. NMSS, FSME, and OGC will participate as appropriate.

Resources: The staff estimates that 0.5 in FY08 will be required to develop and approve an MOU. This effort would be split over FY 07 and potentially FY08. This is not currently in the budget.

<b>Recommendation 5-1</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
NSIR	Develop Strawman MOU to facilitate discussion	4/31/07
NSIR	Meetings to discuss draft MOU	ongoing
NSIR	Approve and sign MOU	1/31/2008

<b>Recommendation 5-2</b>	<b>Evaluate Technologies to Detect and Discourage Theft During Transport</b>	DOT/DHS lead
		8/8/2010

Task: The Task Force recommends that the U.S. Government evaluate the feasibility of using new and existing technologies to detect and discourage the theft of risk-significant radioactive material during transport. The evaluation should include the findings of operational testing of existing technologies offering enhanced security of motor carrier shipments of hazardous material; shipment tracking, including communication systems; radiofrequency identification; vehicle disabling technologies; and mobile and stationary radiation detection systems.

Cite: Chapter 5 - Transportation Security of Radioactive Sources

Report Context:

Given the current level of technology, tracking of packages, shipments, and conveyances is possible and would improve security. Although not a fatal flaw in the tracking of hazardous materials, the rapid growth of technology available to track packages, shipments, and conveyances may offer the transport community good benefit at marginal costs. To take full advantage of this technology, transport security officials need to research the technology, including cost-benefit, to determine where it should be applied.

EPA and DOE (Oak Ridge National Laboratory) are testing the use of radiofrequency identification to track and monitor the shipment of radioactive materials in commerce. Various radioisotopes, including Sr-90, Cs-137, Co-60, and Cf-252, have been shipped in Type A packaging embedded with these tags. Initial results are very encouraging and indicate that this technology is a viable way to physically track less-than-truckload shipments.

Federal Motor Carrier Safety Administration (FMCSA) has conducted operational tests of existing technologies offering enhanced security of motor carrier shipments of hazardous materials. This 2-year test evaluated the costs, benefits, and operational processes required for wireless communications systems, including GPS tracking and digital telephones; in-vehicle technologies, such as onboard computers, panic buttons, and electronic cargo seals; personal identification systems, including biometrics and a user name/password system; and vehicle tracking, including geofencing and trailer tracking systems. These tests may form the basis of regulation to require vehicle tracking and communications systems and antitheft technologies for motor carriers transporting certain classes and quantities of hazardous materials. The results of this study should be evaluated to see which if any of these technologies should be required for transporting risk-significant radioactive material.

One method to thwart hijackers is to disable the truck carrying the material they wish to obtain. DOT has been evaluating vehicle-disabling technologies, and this effort should continue. Specific aspects to be studied include safety and security testing of these systems, costs and benefits of using industry-standard truck disabling technologies, identification of best practices for safety and security applications of remote vehicle-disabling technologies in trucking operations, and conducting field operational testing of this technology.

One way to uncover illicit trafficking is the use of detection devices. The U.S. Government should continue testing and evaluating mobile and stationary radiation detection devices to be used on truck traffic. The testing should evaluate a system's capability to detect loads of radioactive materials and to identify specific isotopes and quantities present in shipments.

The U.S. Government needs to research these technologies, along with their implementation and maintenance costs, to determine the feasibility of applying them to shipments of risk-significant radioactive materials. Factfinding should include interactions with interested stakeholders, such as industry representatives. The Task Force should establish a forum to promote exchange of information and provide a common interest setting that may result in collaboration. To accomplish these objectives, the Task Force recommends that DHS and DOT work with the Transportation Security Subgroup to study shipment tracking options. The group should report back to the Task Force with recommendations on shipment tracking within 2 years.

Potential Issues: No known issues.

Agencies Involved: DOT, DHS, DOE, NRC, EPA, DOS.

Program Office Action: DOT and DHS have the lead for implementation of this recommendation. The Transportation Security Subgroup will be involved in the evaluation. Representatives of NSIR and NMSS will participate on the Transportation Security Subgroup. The Subgroup should coordinate with the Interagency Coordinating Committee on National Source Tracking. For those security technologies not related to source tracking, the Subgroup should coordinate with the DHS Government Coordinating Council - Radioisotope Subcommittee. Within the NRC, NSIR has the lead.

Resources: This activity is not in the budget and is not covered by routine activities. It is estimated that 1 FTE spread over 2 to 3 years would be necessary to cover NMSS (0.5 FTE) and NSIR (0.5 FTE) participation in the effort to implement this recommendation.

<b>Recommendation 5-2</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
NSIR, NMSS	Participate in subgroup activities	Ongoing
Transportation Security Subgroup	Subgroup report to the Task Force on recommendations and conclusions	TBD by DOT

<b>Recommendation 5-3</b>	<b>Development of International Transport Security Guidance</b>	DOT/ NRC
		Ongoing

Task: The Task Force recommends that the U.S. Government immediately develop a strategy and take actions to address the security of international shipments of Category 1 and 2 radioactive sources that transit or are transshipped through the land territory of the United States.

Cite: Chapter 5 - Transportation Security of Radioactive Sources

Report Context:

In response to the potential for their malevolent use, the United States has implemented prescriptive security measures designed to control the domestic transport, import, and export of Category 1 and 2 sources as defined in the Code of Conduct. The U.S. Government is also participating in international efforts to develop similar security standards for international transport of such sources.

Internationally, IAEA has developed the Code of Conduct and the Guidance on Import and Export of Radioactive Sources (Guidance), which supplements the Code. These documents address notification and consent provisions in connection with import or export of Category 1 and 2 sources, but do not include these provisions for transit (no conveyance change) or transshipment (involving conveyance change) of radioactive sources that do not have an origination or final destination point within a given country but are transported through the land territory of the country. Developers of the Code of Conduct and the Guidance acknowledged the need for additional work to define the transit and transshipment portions of transportation, consistent with international law. The Task Force believes that the completion of this effort is vital. The lack of knowledge about these shipments is one of the most significant gaps in transportation security. The Task Force recognizes it cannot resolve this issue on its own, as resolution will require international cooperation to revise international transportation standards to include enhanced security measures. The mission of the Transit and Transshipment Interagency Working Group is to evaluate this specific area and to develop a U.S. position that can be used in international negotiations. This position should be consistent with existing U.S. positions on international transportation of radioactive material, as well as existing international law. These efforts should not only continue, they should be accelerated.

As a practical matter, transshipment requirements can only be imposed and enforced through international cooperation. However, the NRC has worked with several foreign companies for the voluntary submission of information related to transits and transshipments. The NRC shares the information with other regulatory bodies such as Customs and the States through which the material is transiting. In the interim until international transportation security guidance is developed and implemented on a broad basis, the NRC should continue its efforts to obtain this information from shippers making transit or transshipments of radioactive sources through the United States.

To close the international transport security gap, the Task Force recommends that DOT, NRC, DOS, and other interested Federal agencies continue to work with IAEA to develop international transport security guidance material for risk-significant sources. The participating agencies

should work to coordinate the IAEA program with the existing U.S. requirements and ensure that the IAEA standards are reflected in U.S. law and regulations as soon as possible. The domestic strategy for controlling Category 1 and 2 source transport consists of increased security transport measures, promulgated by the NRC, which licensees that ship or receive sources will impose on the carriers. Upon issuance of international transport security guidance, the DHS, DOT, NRC, and interested Federal agencies should develop an implementation strategy and schedule to define the transport security requirements for import, export, transit, and transshipments of Category 1 and 2 radioactive sources in the United States.

**Potential Issues:** Issue of transit/transshipment notifications is controversial regarding the impact of notification requirements on domestic and international agencies.

**Agencies Involved:** NRC, DOT, DHS, DOS, DOE, EPA.

**Program Office Action:** NMSS and NSIR to participate in the Transit and Transshipment Interagency Working Group. NMSS and NSIR staff participate on the IAEA working groups on the transportation security guidance document. If the IAEA revises the transportation security guidance document, NRC will work with DOT to revise the transportation regulations.

**Resources:** Resources for participation on the Transit and Transshipment Interagency Working Group and IAEA standards committee are already addressed in the budget and are part of routine activities. Resources for a rulemaking, if necessary, are not currently in the budget. NRC would budget and prioritize the rulemaking when and if IAEA revises its guidance document.

<b>Recommendation 5-3</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
NMSS, NSIR	Participation on IAEA Transportation guidance working group	Ongoing
NSIR, NMSS	Participation on Transit and Transshipment Working Group	Ongoing

<b>Recommendation 9-1</b>	<b>Waste Solutions</b>	DOE lead
		Ongoing

Task: The Task Force recommends that the U.S. Government further evaluate the waste disposal options as outlined in the GAO reports on low-level radioactive waste (LLRW).

Cite: Chapter 9 - National System to Provide for the Proper Disposal of Radioactive Sources

Report Context:

Only two commercial disposal facilities (Barnwell and Richland) can accept Class A, B, and C sealed sources. The third existing low-level radioactive waste (LLRW) facility (Clive) does not accept any sealed sources.

Although both the Barnwell and Richland disposal facilities accept most Class B/C sealed sources, much of the country's disused Class A, B, and C sealed sources that cannot be reused or recycled go to the Barnwell facility for disposal. However, license conditions prevent the disposal of some Class B/C sources at either facility. In addition, the Barnwell facility is scheduled to close to the 36 non-Atlantic Compact States in June 2008, leaving sealed source generators in those noncompact States without a disposal option. Consequently, those generators will have to store their disused sources unless other disposition options are identified.

The Government Accountability Office (GAO) reported to the Senate in June 2004 (GAO-04-604) on LLRW disposal availability. GAO identified three legislative options for addressing a potential shortfall in LLRW disposal availability that still apply to the current situation. These options are briefly summarized below:

(1) Allow the current compact system under existing federal legislation to adapt to the changing LLRW situation (i.e., maintain status quo). GAO concluded that this option "may no longer be tenable if there are no assured safe, reliable, and cost-effective disposal options put forward to address a potential shortfall in disposal availability for class B and C wastes after mid-2008."

(2) Repeal the existing Federal legislation to allow market forces to respond to the changing LLRW situation. GAO stated that this option could "create a national LLRW disposal market that might lead to more competition and lower disposal rates." However, GAO noted that States that host LLRW disposal facilities would likely resist opening their disposal facilities nationally and could take several actions to restrict access (e.g., decide not to renew leases for State-owned land).

(3) Use DOE disposal facilities for commercial waste. GAO identified a number of issues that require resolution and possible legislation concerning the use of DOE facilities for commercial waste including (i) it is not clear whether DOE currently has authority to accept commercially generated LLRW at its disposal sites; (ii) a determination would be needed as to whom (e.g., generators, States, or DOE) pays for the additional cost for disposing of commercial waste at DOE facilities; and (iii) licensing and regulatory oversight issues would need to be clarified since the NRC and Agreement State regulations that govern commercial

facilities do not apply to DOE disposal facilities. GAO further pointed out that use of DOE facilities might have the adverse effect of eliminating the financial viability of commercial disposal facilities and possibly putting DOE disposal facilities in competition with private facilities. It also noted that Nevada and Washington, the host States for the DOE regional disposal facilities, have objected in the past to having to accept a disproportionate burden of LLRW disposal.

The Task Force did not identify any immediate security concerns related to disposal of Category 1 and 2 sources that warrant revisiting the Low-Level Radioactive Waste Policy Amendments Act (LLRWPA).

The Task Force identified two other areas that could be explored:

(1) The NRC has statutory authority to override any compact restrictions and allow shipment of waste to a regional or other non-Federal disposal facility under narrowly defined conditions (e.g., common defense and security) identified in 10 CFR Part 62, "Criteria and Procedures for Emergency Access to Non-Federal and Regional Low-Level Radioactive Waste Disposal Facilities".

(2) The NRC could facilitate discussions with host States/compacts of operating commercial LLRW disposal facilities to promote access, on an exigency basis, for disposal of selected sealed sources that, if not disposed, present potential national security concerns. Any such negotiated disposal would be subject to disposal facility site-specific technical considerations.

Potential Issues: Could require revision of the LLRWPA.

Agencies Involved: DOE, NRC, EPA.

Program Office Action: DOE has the lead for this recommendation. FSME will participate as appropriate. FSME will monitor progress by DOE. No other specific activities have been identified for NRC.

Resources: Monitoring DOE activities in this area would be considered part of routine activities. NRC will participate as appropriate.

<b>Recommendation 9-1</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
FSME	Monitor DOE activities	Ongoing

<b>Recommendation 9-2</b>	<b>Evaluation of Financial Assurance</b>	NRC lead
		10/1/2009

Task: The Task Force recommends that the NRC evaluate the financial assurance required for Category 1 and 2 radioactive sources to assure that funding is available for final disposition of the sources.

Cite: Chapter 9 - National System to Provide for the Proper Disposal of Radioactive Sources

Report Context:

Not all possessors of sealed sources need to have financial assurance to cover the costs of disposal or other appropriate disposition of sources, potentially resulting in prolonged storage and possible misuse, abandonment, loss, or theft. The costs of disposal can often be high, prompting a licensee to delay disposal either by choice or economic necessity. Three options—broadening the NRC financial assurance thresholds, assessing a source-specific surcharge for disposal, or assessing a universal disposal surcharge on all licensees—could help alleviate the above concerns. Implementation of any of these options would require consideration of the economic impacts to the licensee. As an unintended consequence, the options could also discourage beneficial use of the radioactive materials due to the increased financial burden.

**Option 1: Broadening the NRC Financial Assurance Thresholds**

This option would broaden the requirements of 10 CFR 30.35 by applying a lower threshold of radioactivity for determining financial assurance requirements. It would impose a decommissioning surety requirement on the licensee as a function of cost of disposition of all radioactive material in its possession. Funds would remain secure and inviolate for the exclusive purpose of decommissioning activities associated with the possession of sealed sources and other radioactive material. Disposal cost of sealed sources and other radioactive material would be a subset of these decommissioning activities. This option would ensure that affected licensees set aside adequate funds to properly dispose of sealed sources. However, it would not provide funds to dispose of orphan sources or other sources for which there was not a responsible or financially capable party.

**Option 2: Assessing a Source-Specific Surcharge for Disposal**

This option would develop a financial assurance system by assessing a source-specific surcharge at the time of acquisition or throughout a source's service life to cover the costs of disposal. The option would provide flexibility to spread the surcharge over the life of the source to minimize financial burden and to not discourage the licensee/service provider from providing a service (e.g., use of sealed sources for medical procedures).

The concept would be to create a sinking fund earmarked for source disposal based on its projected disposal cost at time of acquisition, its service life, and its "salvage value," if any. The fund would include an appropriate surcharge at the time of purchase that would be supplemented periodically with a surcharge on the license fee. A third-party financial institution would hold the fund in an interest-bearing escrow account. The fund would follow the source from licensee to licensee throughout its service life. If the fund exceeded the source's disposal costs, it would be returned, on a pro rata basis, to contributors.



The size of the fund and rate of contribution would depend on a variety of factors, including specific isotope and radioactivity, service life of the source, and salvage value. Licensees could seek relief, in whole or in part, by providing demonstration of an enforceable and fungible “path forward” other than disposal.

The NRC would periodically evaluate (during license renewal) the adequacy of the accumulation of funds in the sinking fund, taking into account increases or decreases in anticipated disposal costs. If, at the time of license termination, the licensee made alternative arrangements for disposition using monies other than those contained in the disposal escrow fund, the NRC would remand the fund to the licensee.

While such a solution would prospectively ensure that individual licensees would be financially responsible for disposal of their sealed sources, it would not address the disposal of orphan sources or other sources for which there is not a responsible or financially capable party.

### Option 3: Assessing a Universal Disposal Surcharge on All Licensees

This option would involve assessing a small surcharge on all licensees of radioactive material (i.e., not limited to sealed source licensees) to cover the costs of disposal, similar to a program currently implemented by the State of Texas and other States. The Texas Radiation and Perpetual Care Fund (the Fund) is a State account set up to prevent or mitigate the adverse effects of abandonment of radioactive materials, default on a lawful obligation, insolvency, or other inability by the possessors or users of radioactive material to manage its proper disposition. Monies in the Fund may be used for decontamination, closure, decommissioning, reclamation, surveillance, or other care.

Monies for the Fund come from an additional fee assessed on the State’s radioactive materials licensees and administrative penalties collected by the enforcement program (from radioactive materials licensees as well as from the registrants of machine-produced radiation). There is no cap on the amount of penalties accrued in the Fund.

Such a solution would address a broader range of problematic disposition situations (e.g., existing backlog of orphan sources). However, it would have the disadvantage of spreading the cost burden to licensees who would not specifically benefit from the program.

Because not all Category 1 and 2 sealed sources are subject to current NRC financial assurance requirements and to ensure sufficient funds are set aside to properly disposition these sources at the end of their useful service, the NRC should evaluate alternative financial assurance options, including a broadening of the financial assurance thresholds in 10 CFR Part 30.35, a source-specific surcharge for disposal; and a universal disposal surcharge on all licensees. The evaluation should consider impacts to the regulated community and implementation approaches (e.g., the need for legislation and regulation development), and it should involve stakeholders.

Potential Issues: No known issues.

Agencies Involved: NRC, OAS, Stakeholders, DOE, DOS.

Program Office Action: FSME will evaluate the financial assurance necessary for Category 1 and 2 sources. In order to complete the evaluation FSME will form a working group. Various stakeholders will be engaged in the process. If a decision is made to pursue additional financial

assurance, a rulemaking working group will be formed to develop a rulemaking plan and proposed rule.

Resources: This activity is not in the current budget. It is estimated that 1 FTE and \$100,000 for contract support are needed for the evaluation. Resources for a rulemaking, if necessary, are not in the budget. NRC would budget and prioritize the rulemaking, if pursued. This is a low priority item.

<b>Recommendation 9-2</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
FSME	Form a working group to evaluate	7/1/2008
WG	Develop a plan to conduct the evaluation	10/1/2008
FSME	Make decision on whether to pursue	10/1/2009

<b>Recommendation 12-1</b>	<b>Alternative Technologies</b>	NRC lead
		8/31/2008

Task: The Task Force recommends that the Alternatives Technology Subgroup evaluate financial incentives; research needs for both alternative technologies and alternative designs, including financial support; and the cost-benefit of potential alternatives for Category 1 and 2 radioactive sources.

Cite: Chapter 12 - Alternative Technologies

Report Context:

As noted above, for a number of applications, alternative technologies exist or are in development that could reduce the risk or impact of an accidental or terrorist use involving a risk-significant radioactive source. In addition, future research in this area could yield even more viable alternative technologies. However, the ultimate success of all such efforts is unclear until a number of critical concerns are addressed. These concerns, discussed below, include incentives for adoption, collaboration between Federal agencies, and disposition of displaced sources.

Incentives

Application of alternative technologies may not be effective unless economic incentives are established to encourage the adoption of those alternatives. Competition in the U.S. marketplace typically encourages, evaluates, and ultimately determines if nonradioactive technology will take the place of radioactive sources or devices. A good example of the marketplace effect is the speed with which drug-coated stents replaced the Ir-192 and Sr-89 high-dose rate remote afterloader devices used to treat coronary artery restenosis. In other examples, electronically produced X-ray sources have replaced I-125 and Am-241 sources in small, hand-held fluoroscopy units and larger scanning bone mineral analyzers, respectively. However, some alternative technologies in the marketplace have not been sufficiently attractive to replace radioactive sources and devices yet. Thus, even if alternatives are viable, adoption of the alternative in the commercial sector will depend on its feasibility as well as its economic attractiveness.

Incentives that are intended to promote the adoption of alternative technologies through marketplace forces may require several years to take hold. A wide range of incentives may be needed and should be established with stakeholder input. Regulatory mandates or economic incentives such as underwriting the disposal cost or providing tax incentives may be required to encourage use of the alternatives.

As one approach, Federal and State agencies could adopt a licensing policy that would require applicants for new uses of radioactive sources to examine alternative technologies. However, the Task Force does not recommend this approach at this time because of potential licensing complications and regulatory impacts, and the lack of sufficient viable alternative technologies for most radioactive source applications. However, this approach may be more appropriate in the future when alternative technologies are further developed and validated for affected industries, and after cost-benefit and regulatory and statutory analyses have been performed.

This approach would also need to be evaluated from a legal and policy standpoint. The marketplace should be allowed to react to the alternatives before proposing additional changes.

#### Outreach

Stakeholder input leading to the acceptance and ultimate implementation of alternative technologies is essential. Manufacturers, researchers, end users, and validating authorities need to participate in addressing the issues forming barriers for acceptance of an alternative for a given application. Those developing and implementing such alternatives need to include technical and economic criteria as top considerations to ensure that the results are practical. Those involved in developing alternatives must partner with end users to develop these criteria. This cooperation should provide research direction, facilitate information sharing, and avoid duplication of effort.

#### Collaboration

As discussed above, various Federal agencies have initiated a number of independent efforts on alternative technologies. These initiatives could yield additional viable alternatives to existing sources, pending availability of resources. However, to reduce duplication of effort and to benefit from the synergy resulting from an open exchange of research results, collaboration among Federal agencies is needed.

To facilitate collaboration, the Interagency Steering Committee on Radiation Standards (ISCORS) could be requested to form a new subcommittee with representatives from agencies that are conducting activities related to the research and development of alternative technologies. This subcommittee would meet regularly and report to the ISCORS full committee. This approach is consistent with the ISCORS charter for coordination on radiation issues among Federal agencies. In addition, Federal agencies should continue to participate in the EPA Alternative Technology Initiative.

#### Cost-Benefit

Concurrent with research and development, Federal agencies should conduct a comprehensive cost-benefit analysis to gauge the attractiveness and potential impacts to the marketplace of alternative technologies. Federal agencies could also use this analysis to evaluate other potential benefits and impacts from replacing radioactive sources and devices that use radioactive sources with nonradioactive alternatives or replacing them with lower risk sources (different chemical/physical form, lower activity, etc.). This information would be made available to radioactive source users, suppliers, and manufacturers as a way to foster the infrastructure needed to support the use of alternative technologies. This activity should take into consideration the recommendations of the ongoing National Academy of Sciences (NAS) study, which is expected to consider technical and economic feasibility and risks to workers from such replacements.

#### Displaced Sources

The replacement of existing risk-significant radioactive sources, by either a nonradioactive process or an RDD-resistant radioactive source, will result in an accumulation of unneeded or displaced radioactive sources. Because the objective of developing alternative technologies is to reduce the number of radioactive sources at risk for malevolent use, the accessibility of unneeded sources must be addressed for alternative technologies to be of benefit. In order to reduce the overall security and safety risks associated with radioactive sources, the displaced sources must either be disposed of or stored in a location that is at least as secure as the ones from which they came. Accordingly, in addition to the efforts expended in promoting the

development and adoption of alternative technologies, parallel efforts are needed to ensure that storage and disposal options are available for the disposition of risk-significant radioactive sources displaced by the adoption of alternative technologies.

In those cases in which disposal options are prohibitively expensive or not available, strong incentives may be present to sell or donate these sources to recipients in other countries, especially the developing world. Other countries may have an incentive to purchase the sources because of healthcare needs. Export as an alternative disposal path should be discouraged through adequate oversight, awareness on the part of U.S. licensees, coordination with capable partners such as IAEA and the Pan American Health Organization, and voluntary application of ethics and good business practices. Furthermore, the United States and the international community should coordinate to harmonize the development and use of alternative technologies.

#### Passive Features

Enhanced security features incorporated in new designs could make it harder for a person with malevolent intent to remove a source from a device. In so doing, the added delay would improve the chances of stopping the malevolent act. Enhanced security features incorporated in new designs could provide additional access controls, alarms, and tracking. This would allow only authorized users to remove or operate the device and trigger an alarm upon unauthorized access.

Additional effort is necessary before the Task Force can make an informed decision and make specific recommendations on which alternatives should be pursued, what type of incentives should be made available, etc. Therefore, the Task Force recommends that further study be conducted by the Alternative Technologies Subgroup to evaluate financial incentives, research needs for both alternative technologies and alternative designs, including financial support; and the cost versus the benefit of potential alternatives for Category 1 and 2 radioactive sources. These topics will be addressed in the next Task Force report. The subgroup should report back to the Task Force within 2 years with its report, including possible recommendations, on alternative technology research, incentives, and related issues. The 2-year timeframe will allow the subgroup to consider the findings of the NAS study and the response to the DOE report to Congress in its deliberations. This effort should address the following activities:

Provide economic incentives. To complement the creation of research and development programs, consideration could be given to creating financial incentives for manufacturers, distributors, and users of alternative technologies. Incentives could include the following:

- revision of Federal tax law to provide tax credits or other financial incentives to users that purchase products using approved alternative technologies
- reduction of the cost of alternative technologies by providing fiscal benefits to the manufacturers and distributors of these technologies
- authorization for Federal agencies to underwrite the cost of retrieval, storage, and disposal of those specific sources that become displaced when an alternative technology is adopted

Conduct outreach to affected stakeholders. Federal agencies should promote the adoption of alternative technologies by manufacturers, distributors, and users by conducting educational outreach to affected stakeholders, including licensees and other users that would benefit from use of alternative technologies.

Promote collaboration. Federal agencies should collaborate with each other and the international community on various issues associated with the development and adoption of alternative technologies. Federal and State agencies should coordinate efforts in evaluating, developing, or implementing alternative technologies.

Fund research and development efforts. The subgroup should provide suggestions for the level of funding likely to be needed for particular projects related to research and development on alternative technologies for risk-significant radionuclides (IAEA Category 1 and 2 sources), taking into account a realistic envelope for such efforts.

Conduct cost-benefit analyses. The report should evaluate alternative technologies based on the NAS cost-benefit analysis and also conduct an independent cost-benefit analysis.

Evaluate storage and disposal options for sources that are replaced or displaced by alternative technologies. Identify safe and secure storage options or permanent disposal of those sources that are displaced because of alternative technologies.

Possible Issues: Potential classification of information.

Agencies Involved: NRC, HHS, DOE, EPA, DOS, DOD, DHS.

Program Office Action: The Alternatives Technology Subgroup will conduct the evaluation for this recommendation. The Subgroup will need to factor in results from the NAS study on alternatives. This Subgroup is led by FSME. The Subgroup will develop a plan to fully analyze the issue. The Subgroup is to report back to the Task Force in 2 years with any recommendations. The Alternatives Technology Subgroup is composed of representatives from NRC, HHS, DOE, EPA, DOS, DOD, and DHS.

Resources: Participation in this effort is not part of the current budget, although the NAS study has been budgeted. The Subgroup has not developed its plan for the evaluation yet, however, it is anticipated that 0.5 FTE and \$200,000 in contract funds in both FY 07 and FY 08 will be needed.

<b>Recommendation 12-1</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
FSME	FSME shall lead the Alternative Technologies Subgroup	Ongoing
Alternatives Subgroup	Develop plan for evaluation of alternative technologies	12/29/2006

<b>Recommendation 12-1</b>		
Alternatives Subgroup	Report to the Task Force results of evaluation	8/31/2008

<b>Recommendation 12-2</b>	<b>Study on CsCl Phaseout</b>	NRC/DOS lead
		8/31/2008

Task: The Task Force recommends that high priority be given to conducting a study within 2 years to assess the feasibility of phasing out the use of CsCl in a highly dispersible form. This study should consider the availability of alternative technologies for the scope of current uses, safe and secure disposal of existing material, and international safety and security implications.

Cite: Chapter 12 - Alternative Technologies

Report Context:

A specific concern is the widespread use of CsCl in a highly dispersible form in certain devices. An accidental release of CsCl in Goiania, Brazil, in 1987 demonstrated that an inadvertent dispersal of one CsCl source can result in significant economic and social impacts. Following the accident, the Goiania region suffered economic and social isolation from the rest of Brazil; 125,000 people were screened for contamination; and more than 120,000 cubic feet of radioactive waste was generated. While alternative technologies exist for certain risk-significant CsCl applications, such as industrial and medical irradiators, not all applications have a readily available alternative at this time.

The Task Force recommends giving high priority to conducting a study within 2 years to assess the feasibility of phasing out the use of CsCl in highly dispersible forms. This study should consider the availability of alternative technologies for the scope of current uses, safe and secure disposal of existing material, and international safety and security implications. The 2-year timeframe would allow the Federal Government to consider the findings of the NAS study in the evaluation. Any phaseout should encourage similar efforts worldwide; coordination and collaboration with international partners will be necessary to most effectively implement a phaseout domestically. A phaseout strategy should take into account the status of disposal options for radioactive sources that may become disused as a result of such a phaseout; the economic feasibility of using alternative radionuclides, physical-chemical forms, or different technologies; the use of incentives or other compensation to current users; and measures to make sure that the displaced sources do not find their way into environments with less rigorous controls in place. Entities having major economic interests in the production, processing, and sale of CsCl must participate in discussions on the phaseout of CsCl in highly dispersible forms.

In order to make near term progress on this issue, a Subgroup of the Task Force with specific interests in this issue will be formed immediately to identify near term actions. This Subgroup will determine the attractiveness of these sources to be used in an illicit manner. It may be possible to identify readily available technology to replace some application of these sources. If such an application is identified, additional work will be needed to ensure disposal capacity for the existing sources and evaluation of the impacts on the affected industry such as the health care and research community. Also, security issues for sources that may become available on the international market must be addressed. This Subgroup will consider information presented in public meetings for the NAS Study mentioned in the EPAct.



Potential Issues: Potential classification of some information may complicate interactions with stakeholders.

Agencies Involved: NRC, DOS, HHS, DHS, DOE, EPA, ODNI, DOD.

Program Office Action: The Task Force has formed a new CsCI Subgroup to study the feasibility of a CsCI phase out. NRC and DOS are co-leads for the Subgroup. FSME is the lead for NRC. NSIR will participate on the Subgroup. The Subgroup will develop a plan of action.

Resources: This activity is not in the current budget. Although the Subgroup has not developed its action plan, it is anticipated that 0.5 FTE for FSME and 0.2 for NSIR and \$200,000 in contract funds in both FY 07 and FY 08 are necessary to implement the recommendation.

<b>Recommendation 12-2</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
Task Force	Name a Subgroup to conduct study to be headed by NRC and DOS	10/30/06
CsCI Subgroup	Develop plan of action	12/29/06
CsCI Subgroup	Status report to Task Force	4/07
CsCI Subgroup	Status report to Task Force	10/07
CsCI Subgroup	Status report to Task Force	4/08
CsCI Subgroup	Report recommendations and conclusions to Task Force	8/31/2008

<b>Action 3-1</b>	<b>Reissuance of Orders to Manufacturer and Distribution Licensees</b>	NRC lead
		10/31/06

Task: The NRC should evaluate the need to reissue the Orders to the Manufacturing and Distribution (M&D) licensees to make sure no security issues have been introduced from the use of different units of radioactivity.

Cite: Chapter 3 - Radioactive Source Lists

Report Context:

The NRC was inconsistent in the use of TBq and curie units in its early orders. This inconsistency could cause some confusion for licensees. It could potentially result in the enhanced security measures not being implemented for some Category 2 sources. The NRC should evaluate whether the use of curie values rounded to one significant figure, as used in the Orders to the M&D licensees, presents any security concerns that need to be addressed. Based on the results of the evaluation, the NRC may want to reissue those orders.

Possible Issues: No known issues.

Agencies Involved: NRC, OAS.

Program Office Action: FSME will reissue the orders to the M&D licensees to include a new table with terrabequerel units and with the curie values rounded to 2 significant figures. This will be accomplished with the orders on fingerprinting for access to materials. NSIR and FSME will coordinate on the orders.

Resources: This is included in the budget to issue the fingerprint Orders. No additional resources are necessary.

<b>Action 3-1</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
FSME, NSIR	Include new table in fingerprint Orders to M&D licensees	Completed

<b>Action 3-2</b>	<b>Use of Code of Conduct for Transportation Regulations</b>	DOT lead
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Task: The DOT should examine the use of the Code of Conduct Category 1 and 2 thresholds in domestic transportation regulations.

Cite: Chapter 3 - Radioactive Source Lists

Report Context:

The Code of Conduct values are universally understood and implemented. Using different values for transportation security requirements may cause confusion in the user community. DOT should reconsider the use of highway route controlled quantities of radioactive material as the baseline for development of a transport security plan or requirement to incorporate additional security measures. Given the international nature of transport and the international community and other U.S. agency's acceptance of the Code of Conduct Category 1 and 2 levels, DOT should examine using the Category 1 and 2 thresholds in domestic regulations. In addition, the U.S. Government is working with the IAEA to revise the transportation guidance to better align with the Code of Conduct values. This effort should be continued.

Possible Issues: No known issues.

Agencies Involved: DOT, NRC, DOS.

Program Office Action: DOT has the lead for this item. If DOT decides to change their requirements for consistency with the Code of Conduct, NRC would revise its regulations at the same time. NMSS and NSIR have routine interactions with DOT. No specific NRC actions have been identified.

Resources: Interactions with DOT are part of routine NRC business. Resources to specifically implement this action are not necessary at this time. If DOT decides to conduct a rulemaking, NRC would budget and prioritize the rulemaking at that time.

<b>Action 3-2</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
	No specific NRC actions	

<b>Action 4-1</b>	<b>Measures to Verify Validity of Licenses</b>	NRC lead
		6/2010

Task: The NRC should consider imposing additional measures to verify the validity of licenses, before transfer of risk-significant radioactive sources, on all licensees authorized to possess Category 1 and 2 quantities of radioactive material.

Cite: Chapter 4 - Security and Control of Radioactive Sources

Report Context:

With the Internet and photocopy technology, forging a license is relatively easy. Existing regulations require the licensee transferring the material to verify that the intended recipient's license authorizes the receipt of the type, form, and quantity of byproduct material to be transferred. The regulations allow a copy of the purchaser's license to be faxed to the seller as verification of a valid license to receive the type, form, and quantity of byproduct material. A person with malevolent intent could forge a license to obtain byproduct material. The orders to manufacturing and distribution licensees (the initial suppliers of approved sources and devices) require them to take specific measures to verify the validity of the purchaser's license. However, these sources and devices can be subsequently transferred to other licensees without the additional verification requirement. The specific measure to verify the validity of the purchaser's license (or some other mechanism) must be implemented uniformly to reduce the risk that a forged license will be used to obtain risk-significant quantities of radioactive material. The NRC should consider imposing additional measures to verify the validity of licenses, before the transfer of risk-significant radioactive sources, on all licensees authorized to possess Category 1 and 2 quantities of radioactive material.

Possible Issues: No known issues.

Agencies Involved: NRC, OAS, Stakeholders, DHS/CBP.

Program Office Action: FSME will include measures for other licensees when the security related rulemakings for materials facilities are conducted.

Resources: The security rulemakings are already within the budget. Additional resources are not necessary.

<b>Action 4-1</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
FSME	Proposed rule on enhanced security for medium priority licensees to Commission	12/2007
FSME	Final rule on enhanced security for medium priority licensees to Commission	12/2008

<b>Action 4-1</b>		
NSIR	Provide technical basis to FSME for enhanced security for irradiators and M&D licensees	1/2008
FSME	Proposed rule on enhanced security for irradiators and M&D licensees to Commission	1/2009
FSME	Final rule on enhanced security for irradiators and M&D licensees to Commission	1/2010

<b>Action 5-1</b>	<b>Application of Lessons Learned on High-Hazard Material to Radioactive Material Transport</b>	DOT lead
		TBD

Task: The Transportation Security Subgroup should review the findings and conclusions of all research conducted on securing “high hazard” hazardous materials transport to determine if any of the measures should be applied to transport of risk-significant radioactive sources.

Cite: Chapter 5 - Transportation Security of Radioactive Sources

Report Context:

Since September 11, 2001, the Federal agencies represented on this task force have researched transport security programs, implemented security initiatives, and codified transport security plan requirements. Because of the limited number of shipments of risk-significant radioactive sources, these initiatives and programs have focused on shipments of hazardous materials of high consequence. Radioactive material transport experts have not always participated in their development and implementation. The security programs for risk-significant radioactive sources may be improved by examining the results, implementing the applicable provisions, and determining the “lessons learned” from hazardous materials security initiatives. Specifically, the Transportation Security of Radiation Sources Subgroup should review the findings and conclusions of all research conducted on securing “high hazard” hazardous materials transport. Although risk-significant radioactive sources pose unique threats, the techniques and technologies used to secure the transport of other hazardous materials of high consequence may also improve security of radioactive source transportation. Given the greater number of nonradioactive hazardous materials shipments, these practices might also suggest new ideas or methods previously deemed too expensive for the relatively small radioactive material transport industry. This Subgroup should pay particular attention to the ongoing DOT studies on securing the transport of toxic by inhalation material, explosive material, and flammable liquids and gases.

Potential Issues: No known issues.

Agencies Involved: DOT, NRC, DHS, EPA, CIA, DOD, DOE, DOS, OAS/CRCPD.

Program Office Action: DOT has the lead for this item as the lead for Transportation Security Subgroup. NMSS and NSIR staff participate on the Transportation Security Subgroup. NSIR will have the lead for NRC. Depending on the outcome of the review, NRC may need to issue Orders or revise its regulations to implement any measures from the lessons-learned deemed appropriate for transportation of Category 1 and 2 sources.

Resources: This activity is not specifically budgeted. DOT has not yet provided its implementation plan, however, the staff estimates that 0.5 FTE will be necessary for NMSS and NSIR to participate on the Subgroup (covers both Action 5-1 and 5-2). Depending on the outcome of the review, additional resources may be necessary to implement the lessons-learned deemed appropriate for Category 1 and 2 sources. Resources for implementation would be addressed at that time.

<b>Action 5-1</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
NMSS, NSIR	Participation on Subgroup	Ongoing
Transportation Security Subgroup	Evaluate lessons-learned	TBD
NSIR, NMSS	Provide any recommendations to implement any new measures to the Commission	60 days after completion by Subgroup

<b>Action 5-2</b>	<b>Best Practices from High Threat Urban Area Corridor Assessments</b>	DOT lead
		TBD

Task: DOT should evaluate the best practices from the high threat urban area corridor assessments to determine whether it should incorporate any of the best practices into the requirements for security plans for high-risk radioactive material. DOT should also evaluate whether transport of lower risk radioactive material warrants a security plan or whether the transport could be exempted from some of the requirements.

Cite: Chapter 5 - Transportation Security of Radioactive Sources

Report Context:

In May 2002, PHMSA (then known as the Research and Special Programs Administration) proposed regulations to enhance the security of hazardous materials shipments. Although the proposal included provisions on registration certificates, shipping documentation, and training, the major initiative was the establishment of a new requirement that shippers and carriers of HRCQ of radioactive material, explosive material, poison by inhalation material, and infectious substances have plans to ensure the security of shipments during transportation. Since this rule became final in March 2003, PHMSA and all DOT modal authorities now have some experience with its implementation. The HRCQ addresses other radioactive material and not just those radionuclides in the Code of Conduct. (Chapter 3 of this report addresses thresholds for Code of Conduct radionuclides.) DOT should evaluate whether transport of some of the lower risk radioactive materials warrants a security plan.

As part of the high-threat urban area corridor assessments conducted in 2005, DHS and DOT identified some best practices for the transport of various hazardous materials. DOT should evaluate the security recommendations that emerged from this program and consider them for inclusion, as appropriate, in the security plans for transporting risk-significant radioactive materials

Potential Issues: No known issues.

Agencies Involved: DOT, NRC, DHS, EPA, CIA, DOD, DOE, DOS, OAS/CRCPD.

Program Office Action: DOT as leader of the Transportation Security Subgroup, has the lead for this action. NMSS and NSIR staff participate on the Transportation Security Subgroup. NSIR has the lead for NRC. Depending on the outcome of the review, NRC may need to issue Orders or revise its regulations to implement any measures from the best practices deemed appropriate for transportation of Category 1 and 2 sources.

Resources: This activity is not specifically budgeted. DOT has not yet provided its implementation plan, however, the staff estimates that 0.25 FTE for NMSS and 0.25 FTE for NSIR will be necessary to participate on the Subgroup (covers both Action 5-1 and 5-2). Depending on the outcome of the review, additional resources may be necessary to implement the lessons-learned deemed appropriate for Category 1 and 2 sources. Resources for implementation would be addressed at that time.



<b>Action 5-2</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
NMSS, NSIR	Participation on Subgroup	Ongoing
Transportation Security Subgroup	Evaluate best practices	TBD
NSIR, NMSS	Provide any recommendations to implement new measures to the Commission	60 days after completion by Subgroup

<b>Action 6-1</b>	<b>Fingerprinting Provisions of EAct</b>	NRC lead
		3/31/09

Task: The NRC should expeditiously complete its implementation of the fingerprinting provisions of the EAct for those applicants for and licensees with Category 1 and 2 quantities of radioactive material. The NRC should place a high priority on completing the EAct Section 652 rulemaking. As part of the rulemaking, the NRC should require fingerprinting for any individual who could have access to Category 2 or above quantities of radioactive materials. The NRC should also require periodic reinvestigations of such persons.

Cite: Chapter 6 - Background Checks

Report Context:

The NRC is in the process of implementing its new fingerprinting authority provided by the EAct. It has several rulemakings either planned or already underway to implement various fingerprint-related provisions of the EAct. The NRC must determine what radioactive material or other property warrants fingerprinting for unescorted access. This evaluation is currently ongoing and should be completed this summer. The following list describes rulemakings that are either planned or underway:

1. Proposed amendment to 10 CFR 73.21 rule for access to Safeguards Information (SGI) by broad class of individuals as mandated by EAct Section 652(B)(ii). The amendment would require that no person may have access to SGI unless (1) there is need to know; (2) the applicant has undergone an FBI criminal history check; and (3) the licensee has established the person's trustworthiness and reliability based on a background investigation of work history, education history, references, and credit history.
2. Proposed amendment to 10 CFR 73.56, "Personnel Access Authorization Requirements for Nuclear Power Plants." The amendment would enhance current requirements for granting unescorted access to nuclear power facilities and codify order requirements.
3. Proposed amendments to implement EAct Section 652(B)(i)(II). This rulemaking would establish the requirements for fingerprinting of individuals with unescorted access to radioactive material or other property that the NRC determines to be of such significance to the public health and safety or the common defense and security as to warrant fingerprinting and background checks.
4. Proposed amendments to implement EAct Section 656, "Secure Transfer of Nuclear Materials." Section 656(a) of the EAct states that individuals accompanying or receiving transfer of material in the United States, pursuant to an NRC import or export license, will be subject to a security background check. Section 656(c) states that these requirements will become effective on a date established by the Commission. The NRC believes that the most appropriate and comprehensive approach for establishing requirements for security background checks is as part of the broader considerations of NRC's planned rulemaking to implement Section 652 of the EAct. Consistent with Section 656(b), the staff is proposing to amend NRC's regulations to exempt from the security background check requirements of Section 1701

those licensees that have not received NRC orders restricting unescorted access to radioactive materials, based both on background checks for trustworthiness and reliability and on fingerprinting and criminal history record checks. In the future more comprehensive Section 652 rulemaking, the staff will consider whether the exceptions for security background checks should be modified.

As part of implementing its new fingerprinting authority, the NRC may issue orders requiring certain licensees to conduct fingerprint checks for employees with access to radioactive materials at Category 1 or 2 levels and with access to SGI. Because orders can be issued more quickly than a regulation that must go through notice and comment, they would cover the gap until the new rules are issued. The NRC has also asked some applicants and licensees to submit fingerprints in advance of the Orders. The NRC plans to issue orders this summer for any NRC or Agreement State licensee that has access to SGI. The NRC also intends to issue orders to the manufacturing and distribution licensees and large panoramic and underwater irradiator licensees to require fingerprints for any individual who has access to risk-significant quantities of radioactive material. The NRC also plans to order fingerprinting of those licensees who transport Category 1 quantities of radioactive material. The NRC has not decided whether to order fingerprinting for other licensees that may possess risk-significant quantities of radioactive material or to wait until the rulemaking is complete. The Task Force encourages the NRC to require fingerprinting for Federal criminal history checks on any individual with access to Category 1 or 2 quantities of radioactive material.

The NRC should also consider imposing the requirement on license applicants, as well as licensees. The Task Force believes that individuals should be screened before the NRC grants them a license to obtain risk-significant material. A license application screening process that includes fingerprinting for Federal criminal history checks can detect persons with malevolent intent, thereby reducing the risk of radioactive material being diverted or used for malevolent purposes. Until the regulations are in place to require fingerprinting of applicants before they obtain a license, the NRC should explore methods to close this gap. The Task Force encourages the NRC to expeditiously complete its implementation of the fingerprinting provisions of the EPAct for licensees with Category 1 and 2 quantities of radioactive material and those applying for such licenses. The NRC should also consider requiring that individuals with unescorted access to Category 1 and 2 radioactive materials be subject to periodic reinvestigation. One possible method to address this is the expansion of the NRC's Demographic Data Project. This project is a joint collaborative effort by the NRC and the Terrorist Screening Center to identify individuals who pose a threat to national security and who have access to the protected areas and vital areas of nuclear power plants.

Potential Issues: No known issues.

Agencies Involved: NRC, OAS, Stakeholders, FBI, DHS.

Program Office Action: OGC will complete the SGI rule. FSME to complete section 656 and 652 rules. NSIR to complete Commission Paper on fingerprints for access to material for materials facilities other than M&Ds, irradiators and Radioactive Material Quantities of Concern (RAMQC). NMSS/FSME issue orders to licensees.

Resources: Resources to conduct these activities are in the current budget.

<b>Action 6-1</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
NMSS	Issue fingerprint orders on SGI to M&D, irradiators, and RAMQC	Complete 8/21/06
FSME, NSIR	Issue fingerprint orders on access to materials to M&D, irradiators, and RAMQC	Complete 10/17/06
NSIR	Develop technical basis to support section 652 rule	10/31/2006
NSIR	Provide Commission Paper to Commission on fingerprint provisions for rest of materials licensees	11/30/06
FSME	Final rule for section 656 to Commission	12/29/06
OGC	Final rule on SGI to Commission	3/30/07
FSME	Proposed rule on section 652 to Commission	9/30/07
FSME	Final rule on section 652 to Commission	9/30/08

<b>Action 6-2</b>	<b>National Database for Materials Licensees</b>	NRC lead
		8/31/2008

Task: The NRC should evaluate the feasibility of establishing a national database for materials licensees that would contain information on pending applications and information on individuals cleared for unescorted access.

Cite: Chapter 6 - Background Checks

Report Context:

There is some concern that an individual could apply for a license application in several different Agreement States and with the NRC. Under the current system, reviewers would not know about multiple applications or if an individual had been refused a license in another jurisdiction. This knowledge can be useful to license reviewers. The Nuclear Energy Institute maintains a database with information on power reactor licensees and individuals with unescorted access to nuclear power plants. This database allows users to track permanent employees and members of the transient workforce who have unescorted access to nuclear power plants and to preclude unauthorized entries. A similar database for material licensees could be useful to both reviewers and industry. The NRC should evaluate the feasibility of establishing a national database with information on pending applications for a specific license and information about individuals cleared for unescorted access. Reviewers in Agreement States and the NRC regional offices would then be aware of all applicants requesting materials from various regulatory agencies. A national database would effectively and efficiently streamline the information flow of current applications for a specific license and information on the current status of employees at particular sites or who may be trying to enter another facility.

Potential Issues: There may be some privacy issues related to sharing information on individuals.

Agencies Involved: NRC, OAS, Stakeholders, DHS, FBI.

Program Office Action: NRC has the lead for this action. NSIR will establish a working group to evaluate the need for this, determine the cost, and make a recommendation for implementation. FSME will participate on the working group. OAS should also be engaged

Resources: This activity is not within the current budget. It is estimated that 0.3 FTE and \$100,000 are necessary to complete the evaluation in FY 07. If a decision is made to pursue a database, the resources for the database development would be addressed at that time.

<b>Action 6-2</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
NSIR	Form working group to evaluate	12/29/2006

<b>Action 6-2</b>		
WG	Evaluate issue and make recommendation to NSIR/FSME management	8/31/07

<b>Action 6-3</b>	<b>MOU on Systematic Alien Verification for Entitlements (SAVE)</b>	NRC/DHS lead
		8/31/2007

Task: The NRC and DHS should enter into a memorandum of understanding to cover access to the SAVE database for materials licensees.

Cite: Chapter 6 - Background Checks

Report Context:

DHS requires an MOU to access the Verification Information System portion of the SAVE program. The NRC was a signatory to a SAVE-related MOU with DHS executed in August 2003. The MOU established the terms and conditions for the participation of the NRC and, at that time, its power reactor licensees in the SAVE program for verifying the immigration status of alien applicants for unescorted access to NRC-licensed reactor facilities. To use the SAVE program under the current umbrella of the NRC/DHS MOU, each licensee must establish its own MOU with DHS. For materials licensees this would mean 1000 to 2000 individual MOUs. Under a possible revised MOU between the NRC and DHS, an MOU between each licensee and DHS would not be necessary. DHS and the NRC General Counsel are working on language for the revised MOU. The language changes will address the statutes that govern the SAVE program and also allow NRC licensees to use the SAVE database to check the immigration status of individuals. For the purpose of verifying the true identity of foreign nationals and to aid in trustworthiness and reliability determinations, the Task Force encourages DHS and the NRC (including Agreement States) to complete the MOU. The MOU would authorize use of the SAVE program and establish the terms and conditions governing participation.

Potential Issues: There could be some potential privacy issues.

Agencies Involved: NRC, DHS.

Program Office Action: NRC and DHS are the co-leads for this action. NRC General Counsel and NSIR are working with DHS on the revised MOU. This effort will be completed.

Resources: No additional resources are necessary to complete this ongoing action.

<b>Action 6-3</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
OGC, NSIR	Develop strawman to facilitate discussion	Complete
OGC, NSIR	Meetings to discuss draft MOU language	ongoing
NSIR	Approve and sign MOU	7/31/07

<b>Action 7-1</b>	<b>Storage of Sources</b>	NRC lead
		10/1/2009

Task: The NRC should evaluate requiring licensees to review and document the reasons for storage of risk-significant sources longer than 24 months and the feasibility of establishing a maximum time limit on the long-term storage of risk-significant sources not in use.

Cite: Chapter 7 - Storage of Radioactive Sources

Report Context:

No absolute time limit exists for the long-term storage of sources. Several sections of regulations encourage licensees to evaluate storage situations after 24 months. This period is long enough to allow licensees to set sources aside to meet business purposes. Holding a source in storage longer than 24 months usually indicates the lack of a strategy to use or dispose of the source. The NRC should consider a new requirement for licensees to review and document the reasons for storage of risk-significant sources longer than 24 months. This would consist primarily of an assessment of the costs for transfer or disposal versus the cost of storage and the licensee's expectation of eventually using the source again. Few risk-significant sources are actually stored for 24 months, so this requirement would be invoked only rarely. However, making licensees consider why they are storing a risk-significant source and if it is a good time to get rid of it has several benefits. Such a requirement could make licensees more aware of the source's existence, trigger an evaluation of the adequacy of storage conditions, and encourage the use of sound business and regulatory principles that would lead to the removal of sources which should not remain in storage. Implementation of a maximum time limit may create a hardship for some licensees if disposal options for greater than Class C (GTCC) waste are not developed. Once disposal options for GTCC exist, the NRC should consider requiring a maximum time limit on the long-term storage of risk-significant sources not in use.

Potential Issues: No known issues.

Agencies Involved: NRC, OAS, Stakeholders, DOE.

Program Office Action: NRC has the lead for this action. FSME will evaluate the need to establish new requirements on storage of sources. FSME will form a working group to consider the storage issue. OAS and stakeholders should also be engaged. A technical basis will be developed if a decision is made to pursue the issue. This evaluation could be conducted as part of the implementation for Recommendation 9-2 on financial assurance.

Resources: Resources for implementation of this action are not covered by the current budget. It is estimated that 1 FTE are needed for the evaluation. Resources for a rulemaking, if necessary, are not in the budget. NRC would budget and prioritize the rulemaking, if pursued. This is a low priority item.



<b>Action 7-1</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
FSME	Form working group to evaluate storage	10/1/2008
WG	Develop plan to conduct evaluation	11/1/2008
FSME	Decision on rulemaking	10/1/2009

<b>Action 9-1</b>	<b>GTCC</b>	DOE lead
		Ongoing

Task: The DOE should continue its ongoing efforts to develop GTCC disposal capability.

Cite: Chapter 9 - National System to Provide for the Proper Disposal for Radioactive Sources

Report Context:

Currently, no commercial disposal facility will accept GTCC LLRW. Many of the Category 1 and 2 sources would be considered GTCC waste. DOE has initiated the process to develop disposal capability for GTCC LLRW. Current efforts center on performing the necessary National Environmental Policy Act analyses of potential disposal alternatives, including development of an EIS. As required by Section 631(b)(1) of the EPCRA, DOE will submit a report to Congress by August 8, 2006, on the estimated cost and proposed schedule to complete the EIS. Providing disposal options for GTCC waste will have the greatest effect on reducing the total risk of long-term storage for risk-significant radioactive sources. Until disposal options for GTCC LLRW are available, DOE Office of Research Sponsored Programs (OSRP) will recover any source that presents threats to public health and safety and security. The Task Force encourages DOE to continue its ongoing efforts to develop GTCC disposal capability.

Potential Issues: No known issues.

Agencies Involved: DOE, EPA, NRC.

Program Office Action: DOE has the lead for this action. EPA is a cooperating agency on the GTCC EIS. NRC will comment on the draft environmental impact statement when issued by DOE.

Resources: No specific resources are necessary for this recommendation. Comment on the draft EIS is part of the routine workload.

<b>Action 10-1</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
FSME	Comment on DOE EIS on GTCC when issued for public comment	2 <sup>nd</sup> quarter FY08 - timing dependent on DOE

<b>Action 10-1</b>	<b>International Harmonization of Import/Export Controls</b>	DOS lead
		Ongoing

Task: The U.S. Government should continue the efforts to promote international harmonization of import and export controls for Category 1 and 2 radioactive sources.

Cite: Chapter 10 - Import and Export Controls for Radioactive Sources

Report Context:

To date, 83 nations have made a political commitment to work toward following the Code of Conduct, as called for in IAEA 2003 General Conference Resolution GC (47)/RES/7.B. However, only 20 of these countries have made a subsequent political commitment to act in accordance with the Guidance document, pursuant to GC (47)/RES/7.B in 2004. This discrepancy may largely be due to Member States' confusion as to why a second commitment is needed. The U.S. Government strongly believes that a second commitment is needed because unlike the Code, whose guidelines are primarily addressed to action on a national basis, the import/export Guidance seeks to harmonize multilateral interactions. To harmonize these interactions, each country needs to commit to act in accordance with the Guidance and set a date by which it anticipates that it will meet this commitment. As part of the G-8 Sea-Island Summit and the U.S.-EU Shannon Summit, 29 nations made a political commitment to work towards having effective export controls, as recommended by the Guidance, by the end of 2005. In addition, leaders of the OSCE and the APEC made similar commitments as part of their summits. However, some of these countries have not submitted their individual letters of commitment to the IAEA Director General. DOS should continue to press countries that have not already done so to make this commitment. In addition, DOS should continue its efforts to promote international harmonization of export and import controls over Category 1 and 2 radioactive sources through multilateral and bilateral forums, conferences, technical meetings, and other meetings to harmonize import/export actions. Finally, the U.S. Government should press for common forms, used in import and export bilateral transactions, to further harmonize implementation of import and export controls.

Potential Issues: No known issues.

Agencies Involved: DOS, NRC, DOE, EPA, CIA.

Program Office Action: DOS has the lead for this action. NRC (IP, NMSS, and FSME) will continue to participate in international conferences on implementation of the Code of Conduct.

Resources: This activity is not specifically budgeted but would be covered by routine activities.

<b>Action 10-1</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
IP, FSME, NMSS	Participation in international conferences and meetings	Ongoing

<b>Action 10-2</b>	<b>Regulatory Impediments for Return of Disused Sources</b>	DOE lead
		Ongoing

Task: The U.S. Government should encourage suppliers to provide arrangements for the return of disused sources and examine means to reduce regulatory impediments that currently make this option unavailable.

Cite: Chapter 10 - Import and Export Controls for Radioactive Sources

Report Context:

Life-cycle management of risk-significant radioactive sources is key to preventing sources from becoming abandoned, lost, or diverted for malicious use. Encouraging suppliers and supplier countries to arrange for the return of risk-significant sources would provide an outlet for sources at the end of their useful lives. Making this option available is particularly important given the limited and high costs of disposal options. Suppliers could receive encouragement to arrange for the return of sources through work with the IAEA, development of a code of practice by suppliers, or other means.

Internationally, the redefinition of sources as “radioactive waste” can impede the return of disused risk-significant sources to manufacturers. Once sources are redefined as waste, they are subject to the regulatory framework that requires rigorous licensing and export/import authorization processes and that makes this source management option unavailable in some cases. In the United States, NRC rules allow for the return of sources without considering the sources to be radioactive waste. Specifically, radioactive waste, as defined in 10 CFR 110.2, does not include radioactive material that is “. . . contained in a sealed source, or device containing a sealed source, that is being returned to any manufacturer qualified to receive and possess the sealed source or the device containing a sealed source.” In adding this exclusion to the definition of radioactive waste, the Commission stated, “This exclusion acknowledges that shipment of used sources to a qualified manufacturer should be handled as expeditiously as possible because these types of shipments help to ensure that used sources are handled in a safe and responsible manner.” Additionally, the recent changes to 10 CFR Part 110 allow for broad licenses that can include the return of the disused risk-significant source as part of a combined import/export license. This may still be an impediment in other countries.

Obstacles to the return of Category 1 and 2 radioactive sources also include the loss of Type B packaging status. Many of the Category 1 and 2 sources must be transported in Type B packages. In the United States, many of the Type B packages were designed several decades ago and do not meet new international standards. Internationally, the grandfathering clause for old designs expired in 2001. In the United States, Type B packages do not have to meet the new design standards until October 1, 2008. After that date, many of the existing Type B packages will no longer be in use. While Type B packages that meet the new standards are available, they are expensive to either lease or buy. The Task Force encourages the agencies involved to examine the regulatory landscape that applies to the return of disused sources to suppliers and to identify and address the obstacles that currently make this option unavailable.

Potential Issues: In the United States, NRC rules allow for the return of sources without considering the sources to be radioactive waste. A license is required. Availability of Type B packages designed to meet international standards could impact the ability to return sources.

Agencies Involved: DOE, DOS, NRC, DOT.

Program Office Action: DOE has the lead for this item. NRC would participate as appropriate. IP will review and approve import licenses for source return, as appropriate. NMSS will review and approve new package designs, as appropriate.

Resources: This activity is not specifically budgeted, package reviews and licensing reviews are part of routine activities.

<b>Action 10-2</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
IP	Review import license applications	TBD - upon submittal
NMSS	Review new package design applications	TBD - upon submittal

<b>Action 10-3</b>	<b>Discourage Export of Sources as an Alternative to Disposal</b>	NRC/DOS lead
		Ongoing

Task: The Task Force suggests the use of education and creation of incentives to discourage the export of used Category 1 and 2 radioactive sources as an alternative to disposal.

Cite: Chapter 10 - Import and Export Controls for Radioactive Sources

Report Context:

A number of developing countries have voiced concern that facilities in developed nations may export used risk-significant sources and devices, such as teletherapy units, to the developing world as an alternative to disposal. While donation and sale of used sources and devices are legitimate and essential avenues for many countries to acquire life-saving therapy and diagnostic capabilities, these practices can also result in lingering safety and security concerns as the recipient facilities and importing countries may not have the means for proper storage, conditioning, and disposal of high-risk sources at the end of their useful lives. Implementation of the new import/export controls in the United States and other countries will help address this issue. The importing country will need to consent to the import of the risk-significant radioactive material, as many of the devices contain Category 1 levels of radioactive material. Using incentives and education to discourage this practice would also help address this problem. One option would be to support voluntary development of a code of ethics or practice by suppliers to help guide decisions on the resale or donation of used sources, especially to entities in the developing world.

Potential Issues: No known issues.

Agencies Involved: NRC, DOS, DOE, HHS, EPA.

Program Office Action: NRC and DOS are co-leads for this item. As part of the review of export licenses, IP considers the approval or authorizations issued by the foreign country. For Category 1 sources, government to government consent is necessary before the source can be approved for export to the foreign country. NRC will participate in other activities as appropriate.

Resources: This activity is not specifically budgeted but would be covered by routine activities.

<b>Action 10-3</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
IP	Review requests for export licenses	TBD - upon submittal

<b>Action 10-4</b>	<b>Interagency Evaluation of Import Requests</b>	NRC lead
		Ongoing

Task: The U.S. Government should improve interagency evaluation of recipient authorization and recipient country controls to prevent fraudulent acquisition of risk-significant sources exported from the United States.

Cite: Chapter 10 - Import and Export Controls for Radioactive Sources

Report Context:

Paragraph 25 of the Code of Conduct states the following:

Every State intending to authorize the export of radioactive sources in Categories 1 and 2 of Annex 1 to this Code should consent to its export only if it can satisfy itself insofar as practicable, that the receiving State has authorized the recipient to receive and possess the source and has the appropriate technical and administrative capability, resources and regulatory structure needed to ensure that the source will be managed in a manner consistent with the provisions of this Code.

In addition, the Guidance document states that, in deciding whether to authorize an export of such a source, the exporting State should consider, based on available information, the following elements:

- whether the recipient has been engaged in clandestine or illegal procurement of radioactive sources;
- whether an import or export authorization for radioactive sources has been denied to the recipient or importing State, or whether the recipient or importing State has diverted for purposes inconsistent with the Code any import or export of radioactive sources previously authorized; and,
- the risk of diversion or malicious activities involving radioactive sources (paragraphs 8c and 11c).

Finally, under 10 CFR Part 110, the principal criterion for approving exports of Appendix P material is a finding that the export is not inimical to the common defense and security of the United States. The noninimicality finding is relevant to both the nuclear proliferation significance of exports and the related security concerns of potentially harmful radioactive material being used for malicious purposes.

The NRC, DOE, and DOS are currently conducting the review called for in the above documents. However, additional information gained from leveraging the knowledge and expertise of additional government entities could provide a more comprehensive information base to facilitate the U.S. Government in making a more informed decision on whether to authorize an export.

Currently, the interagency informally makes an evaluation based on a number of criteria, including a country's nonproliferation credentials, whether it is on the embargoed countries list, its export history, and its progress in IAEA assistance programs to the extent information is publicly available or provided by the country. Verifying the legitimacy of some end users is difficult at times, and additional information could be useful in this review process. The decisionmaking process should, where appropriate, take greater advantage of the extensive knowledge base offered by the various agencies. This is particularly important in light of today's security concerns.

Bringing in additional existing expertise and resources could be beneficial. This interagency group could periodically review and share relevant trade, end user, and country information. Agencies involved in the export licensing process should consider any information provided by the working group, but without allowing such information to unduly hamper legitimate trade or unduly lengthen the review process. Specific actions that could be considered include the following:

1. Request additional information, as appropriate, from potential recipient governments regarding the safe transport, security, handling, and storage of the exported risk-significant radioactive material in the country.
2. Make greater use of existing U.S. Government resources (e.g., working through the DOC, DOE, DOS, and the NRC), as appropriate, to share information regarding potential recipient companies to help ensure that the end user is authentic.
3. Make greater use of existing U.S. Government resources (e.g., Department of Commerce, DOE, DOS, and the NRC) to better understand the recipient country's security environment, the adequacy of its regulatory controls, and any potential security concerns that may arise during the transport or at the end-use location.

Potential Issues: No known issues.

Agencies Involved: NRC, DOS, DHS, CIA, DOE.

Program Office Action: NRC has the lead for this item. IP will meet with other agencies to discuss the interagency evaluation.

Resources: This is part of routine activities.

<b>Action 10-4</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
IP	Meet with other agencies to discuss interagency evaluation	11/30/06



<b>Action 10-5</b>	<b>Need for Specific Import Licenses</b>	NRC lead
		8/31/07

Task: The NRC should consider reevaluating the need for a specific import license to allow the import of Category 1 and 2 radioactive sources to a U.S.-licensed user.

Cite: Chapter 10 - Import and Export Controls for Radioactive Sources

Report Context:

Most other industrialized countries implementing the import/export Guidance do not require a specific import license. Category 1 and 2 sources are imported under a licensee's site license to use and possess the source, as was previously done in the United States. Licensees suggest that the new import/export rules requiring specific import licenses are a significant and costly administrative burden with little value. Requirements for the licensee to notify the NRC of the import could still be in place without requiring a specific import license. This would ensure that the NRC would know of the import and to whom it is destined. The Task Force suggests that the NRC consider reevaluating the need for a specific import license to allow the import of Category 1 and 2 radioactive sources to a U.S. licensed user.

Potential Issues: No known issues.

Agencies Involved: NRC, DHS, DOS, DOE.

Program Office Action: NRC has the lead for this item, IP will discuss this issues with Customs and other impacted stakeholders. IP will reevaluate the comments received on the import/export rule and evaluate the experience to date on the issuance of specific import licenses.

Resources: The resources for this are not within the budget. It will take about 0.2 FTE in FY 07 to evaluate the issue. Resources for a rulemaking, if necessary, are not currently in the budget.

<b>Action 10-5</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
IP	Discuss with Customs and DOS	12/29/06
IP	Evaluate experience for 1 <sup>st</sup> year	3/31/07
IP	Reevaluate comments received on this issue	3/31/07
IP	Make decision on need for specific import license	5/31/07

<b>Action 11-1</b>	<b>NSTS Data Request Processing Procedure</b>	NRC lead
		11/2007

Task: The Task Force encourages the NSTS Interagency Coordinating Committee to develop a procedure/policy with guidelines on how to handle both Government and non-Government requests for information in the NSTS.

Cite: Chapter 11 - National Source Tracking System

Report Context:

There are currently no procedures or guidelines in place that would provide criteria for handling requests for access to NSTS information. As it stands now, each request would need to be handled on a case-by-case basis. The NRC has already received inquiries for access to various pieces of information that will be in the database. A procedure or policy is needed to process such requests. The development of the procedure or policy should be an interagency effort and should address requests from both Government and non-Government entities. The procedure/policy should address the types of information potential users would need to submit to support a request. The development of such a procedure/policy should not require extensive resources and would likely save resources in the end. Case-by-case reviews generally require more effort to process than those handled according to an established procedure/policy. Case-by-case reviews also leave the agency making the decision open to criticism. The Task Force suggests that the Interagency Coordinating Committee (ICC) develop the procedure/policy. This committee already exists, will continue to be involved in the NSTS, and is therefore a logical choice to prepare the document.

Potential Issues: No known issues.

Agencies Involved: NRC, DOS, DOE, DHS, DOT, DOD, EPA, TSA, FBI, DOC, OAS, CRCPD.

Program Office Action: NRC has the lead for this item. The ICC for National Source Tracking (chaired by FSME) is developing a procedure for evaluating the validity of requests for data from the NSTS. Once the ICC approves the procedure, it will be provided to the Commission for final approval.

Resources: This is part of routine activities and is already underway. No additional resources are necessary.

<b>Action 11-1</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
FSME (as chair of ICC)	Working Group provide a draft to the ICC	4/07
ICC	ICC approve draft procedure	10/07
FSME	Provide draft procedure to Commission for approval	10/07

<b>Action 11-2</b>	<b>Program NSTS to Provide Automatic Daily Updates to Customs</b>	NRC lead
		12/08

Task: The NRC should consider programming the NSTS to provide automatic daily information to Customs on import/export shipment notifications.

Cite: Chapter 11 - National Source Tracking System

Report Context:

While the NRC intends to record import/export notifications in the NSTS, the actual requirements for the notifications were not finalized before the NSTS development requirements were completed. The current system requirements do not provide for a daily automatic notification to Customs on shipments of Category 1 or 2 sources that will be entering or exiting the United States. An import/export notification report will be one of the system's routine reports and Customs will receive that information, but Customs will not have direct access to the information through the NSTS. The NRC should consider programming the NSTS to provide an automatic daily notification to Customs with information on any shipments of Category 1 or 2 sources that may be entering or exiting the country within the next 24 hours. An automatic notification would eliminate the human-factor aspects and would ensure that Customs officials receive the information in a timely manner. Development of a program and the report format should not require extensive effort, but will require coordination with Customs officials over the report content and who should receive such notifications. If this cannot be conducted under the current contract for development, the NRC should consider it for inclusion in future modifications.

Potential Issues: Changes may not be within current contract provisions.

Agencies Involved: NRC, DHS, Contractor.

Program Office Action: NRC has the lead for this item. FSME will evaluate the programming necessary to provide for automatic notifications to Customs and determine if it is within the current contract.

Resources: The cost for the NSTS contract is currently in the budget.

<b>Action 11-2</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
FSME	Determine if within current contract	6/08
FSME	Have contractor make programming change or	12/08
FSME	Include in next revision of contract	TBD

<b>Action 11-3</b>	<b>Inclusion of Category 3 Sources in the National Source Tracking System</b>	NRC lead
		Due 12/09

Task: The Task Force suggests that a comprehensive analysis be conducted on the inclusion of Category 3 sources in the NSTS.

Cite: Chapter 11 - National Source Tracking System

Report Context:

The Task Force considered whether Category 3 sealed sources should be included in the NSTS. At this time neither the NRC nor DOE plans to track Category 3 sources; however, the agencies have not made a final decision on this issue. Many of the stakeholders commenting on the Task Force activities and on NRC's proposed rule addressed this issue. Because of the interest in this topic, the inclusion of Category 3 sources in the NSTS should be completely analyzed so that an informed final decision can be made. This analysis should address the cost or burden to licensees, the NRC, DOE, and Agreement States, if tracking of Category 3 sources were to be required; the benefit that would be obtained and by whom if the information were collected; the potential for unintended consequences, such as a negative impact on NSTS operation; the potential impact to the NRC and Agreement State General Licensee Tracking Systems; and the potential alternatives to tracking Category 3 sources, such as inventory reporting (inventory reports could be captured in the NSTS). In conducting the analysis, the NRC should engage industry, States, and Federal agencies. This effort would involve considerable resources to implement, but the Task Force believes the effort may be warranted. Various parties continue to raise this issue. GAO suggested that there may be benefit to the inclusion of Category 3 sources in the NSTS (GAO-05-967). The Health Physics Society has recommended inclusion of Category 3 sources if the cost is not prohibitive (January 2006 Position Statement). The NRC's Office of the Inspector General recommended that NRC staff conduct a comprehensive regulatory analysis to assess expanding the materials tracked in NSTS to include Categories 3, 4, and 5 and bulk material (OIG-06-A-10). Category 3 and lower activity sources comprise a major portion of those voluntarily identified as surplus, excess, or unwanted in the commercial sector and that are being collected by OSRP. Additionally, the U.S. metal recycle industry has indicated that Category 3 radioactive sealed sources are those more commonly misplaced or abandoned in industry, resulting in potential contamination of the metal recycling process with operational and financial impacts. The inclusion of Category 3 sources needs to be comprehensively addressed so that the issue can be resolved. In a June 9, 2006, Staff Requirements Memorandum, the Commission directed the staff to conduct a one-time survey of licensees to obtain information on Category 3 sources and to prepare a proposed rule to include Category 3 data in the National Source Tracking System.

Potential Issues: OAS and many licensees have expressed opposition to inclusion of Category 3 sources in NSTS.

Agencies Involved: NRC, DOS, DOE, DHS, DOT, DOD, EPA, TSA, FBI, DOC, OAS, CRCPD, Stakeholders.

**Program Office Action:** NRC has the lead for this item. FSME will conduct a one-time survey of licensees authorized to possess Category 3.5 (0.1 of Category 3) sources. FSME staff will analyze the data and prepare a proposed rule that addresses inclusion of Category 3 data in the NSTS. FSME will need to obtain stakeholder input.

**Resources:** Resources for the survey and the rulemaking are included in the FSME budget.

<b>Action 11-3</b>		
<b>Tasked Office</b>	<b>Breakdown into Sub-Tasks</b>	<b>Due Date</b>
FSME	Prepare Survey Questions	10/06
FSME	Initiate Survey of Licensees	10/06
FSME	Submit Analysis of Survey Data of Category 3 sources to Commission	5/08
FSME	Submit Proposed Rule to Commission	5/08
FSME	Submit Final Rule to Commission	6/09