August 20, 2002

MEMORANDUM TO: William D. Travers

Executive Director for Operations

FROM: Annette L. Vietti-Cook, Secretary

SUBJECT: STAFF REQUIREMENTS - SECY-02-0107 - ADDENDUM TO

SECY-02-0074: "NATIONAL MATERIALS PROGRAM: PILOT

PROJECTS"

and

SECY-01-0112 - NATIONAL MATERIALS PROGRAM:

TRANSMITTAL OF THE FINAL WORKING GROUP REPORT PRESENTING OPTIONS FOR A NATIONAL MATERIALS

PROGRAM

The Commission has approved implementation of a blending of the "current program" and the "Alliance" options through the initiation of five pilot projects. The Commission's ultimate decision on the direction of the National Materials Program (NMP) will be guided by the lessons learned from the pilot projects. When carrying out the pilot projects, the staff, in collaboration with the States, should establish a process that ensures the comments and concerns from all participants are appropriately considered. The staff should also solicit comments from the broad spectrum of stakeholders, including licensees and non-Agreement States.

In addition, the Commission notes that there is another program involving the States to address security issues, particularly with regard to the security concerns with the radioactive dispersal devices. The staff should use this opportunity to study the interactions between NRC and the Agreement States and to apply any lessons learned to the work on the National Materials Program. The staff should ensure that any understandings arising from this effort are included in the evaluation of the five pilot projects.

Due to the increased financial concerns recently expressed by several Agreement States, there is concern that some State radiation control programs may not be able to participate as fully in the Alliance option as they would prefer, or as originally envisioned by the Working Group. The staff should seek to identify any equity issues that may arise during the implementation of these pilot projects and include this feedback to the Commission once the pilot projects are completed. At the end of the pilot projects, the staff should report the results to the Commission and provide an assessment of the effectiveness and efficiency of the blended option. The staff should also provide a recommended path forward for the program.

(EDO) (SECY Suspense: 11/14/03)

cc: Chairman Meserve

Commissioner Dicus

Commissioner Diaz

Commissioner McGaffigan

Commissioner Merrifield

OGC

CFO

OCA

OIG

OPA

Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)

PDR