

August 15, 2005

MEMORANDUM TO: Luis A. Reyes
Executive Director for Operations

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

SUBJECT: STAFF REQUIREMENTS - COMSECY-05-0028 - STAFF
RESPONSE TO SRM FOR COMSECY-05-0015: INITIATIVES
FOR INCREASING AGREEMENT STATE PARTICIPATION IN
THE CONTROL OF SOURCES

The Commission has approved the alternative approach to increase the Agreement States participation in the oversight of control of radioactive materials and the implementation of this approach in accordance with the transition plan provided in COMSECY-05-0028. This approach maximizes the effectiveness and efficiency of the NRC and Agreement State inspection resources and reduces travel costs, because safety and control requirements will be inspected in an integrated manner during routine health and safety inspections, consistent with the NRC strategic goals.

Although the basis for these requirements is changing from common defense and security to public health and safety, this action does not diminish the need to implement the increased controls as soon as possible. The national visibility that this program will have should be made clear to the States. The Commission has determined that the increased controls are an immediate mandatory Category B matter of compatibility for the Agreement States. The staff should ensure that every necessary step is taken in an appropriate time frame to ensure that this program is successful and should keep the Commission informed in a timely manner of any difficulties. If for any reason a specific state is unable to complete actions within the

established time frames, staff is to notify the Commission with a proposed corrective action plan, which should include a discussion of the steps necessary for the NRC to take back appropriate sections of the Agreement and assume full responsibilities for regulating those specific licensees within that state.

States should report back to the NRC when they have issued the upgraded requirements to their licensees and by what methodology (i.e., orders, license amendments, etc.). States should ask their licensees to report when the new requirements have been fully implemented and inform the NRC when that is done for all appropriate licensees within the state. The Commission recognizes the desire to complete implementation inspections within the normal inspection cycle, to the extent practical, to reduce the resource impact on both the Agreement States and the NRC. However, the Commission also desires the inspections to be conducted in a risk-informed manner. Accordingly, staff, working with the Agreement States, should provide the Commission, through an informal mechanism, a proposed inspection prioritization methodology within 30 days of the SRM. Staff should work with Agreement States to identify higher risk licensees in Groups 1 - 4 and develop a prioritization schedule for ensuring the higher risk licensees will be inspected within the first year after implementation. This may require additional special inspections outside of the normal inspection cycle. Staff should recognize in the IMPEP process that this action may result in a delay in some routine inspections for lower risk sites during this time period. All inspections should be completed within the three year schedule in the paper. The Commission should be informed when full implementation has been inspected and found acceptable by the Agreement States and the NRC staff.

In order to keep the Commission fully and currently informed of this effort, staff should inform the Commission on a quarterly basis of the status of actions completed to date on this effort. These status reports could either be in the form of a Commission technical assistant briefing, informational papers, or some other informal method. When all licensees have reported completion of implementation of the requirements, the duration between the reports may be extended to a more appropriate time to track the inspection phase.

cc: Chairman Diaz
Commissioner Merrifield
Commissioner Jaczko
Commissioner Lyons
OGC
CFO
DOC
OCA
OIG
OPA