

March 17, 2006

Mr. William J. Desmond  
Associate Administrator for Defense Nuclear Security  
U.S. Department of Energy, NNSA/NA-70  
1000 Independence Avenue  
Washington, DC 20585

Dear Mr. Desmond:

I am responding to your letter to me, dated January 25, 2006, in which you addressed lead agency roles for International Atomic Energy Agency (IAEA) inspections at U.S. facilities. In the letter you proposed that we reach agreement in principle to align the lead agency designations for inspection activities under the current US-IAEA Safeguards Agreement with those stated in the draft National Security Presidential Directive assigning agency responsibilities for implementing the Additional Protocol.

On Friday, March 3, 2006, U.S. Nuclear Regulatory Commission (NRC) staff met with National Nuclear Security Administration (NNSA) staff to gain a better understanding of your proposal. As agreed upon during the meeting, this proposal needs further evaluation for legal, technical, and administrative impacts and will require a Commission decision. The NRC and NNSA staffs plan to discuss those impacts again after the analysis is complete.

I consider that a significant policy issue may exist. I will provide you with a formal response to your proposal soon after we have received the Commission decision.

Sincerely,

**/RA/**

Luis A. Reyes  
Executive Director  
for Operations

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SUNSI Review completed by: Bruce Moran, DSP/NSIR

\*see previous concurrence

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