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NUCLEAR REGULATORY COMMISSION

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CATEGORY 3 SOURCE SECURITY AND ACCOUNTABILITY

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PUBLIC MEETING AND WEBINAR

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TUESDAY

JANUARY 31, 2017

+ + + + +

The meeting was held in the Commission
Hearing Room, One White Flint North, 11555 Rockville
Pike, Rockville, Maryland, at 1:00 p.m., George
Smith, Facilitator presiding.

PRESENT

GEORGE SMITH, Facilitator

SABRINA ATACK, Branch Chief, Source Management and

Protection

DUNCAN WHITE, Senior Health Physicist

IRENE WU, Project Manager

ALSO PRESENT

CAROLINE ALEXANDER, ANS

NIMA ASHKEBOUSSI, NEI

ROLAND BACKHAUS, Pillsbury

1 DOUGLAS BOLLOCK, NRC/NMSS
2 DAN COLLINS, NRC
3 CARRIE CRAWFORD, NMSS
4 GINA DAVIS, Project Manager
5 LINDA EUSEBIO, NMSS
6 LYNNE FAIROBENT
7 MICHAEL FULLER, QSA Global
8 HIPOLITO GONZALEZ, NRC/NMSS
9 STEVE HARRISON*, Virginia Office of Radiological
10 Health
11 VINCENT HOLAHAN, NRC/NMSS
12 MANUEL JIMENEZ, NRC
13 WILLIE LEE, NRC/NMSS
14 RALPH LIETO*, Saint Joseph Mercy Health System
15 KIM LUKES, NMSS/DNMS
16 RICHARD MARTIN, AAPM
17 JOHN MILLER, International Isotopes
18 JENNIFER OPILA*, Colorado Radiation Program
19 ERNESTO QUINONES, NMSS/MSTR
20 JANET SCHLUETER, NEI
21 PHILLIP SCOTT*, State of California
22 DARYL SHAPIRO, Pillsbury
23
24 * = present via telephone
25

C-O-N-T-E-N-T-S

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P-R-O-C-E-E-D-I-N-G-S

1:00 p.m.

OPERATOR: Okay. I'm showing us right on top of the hour. Are we ready to get started?

MR. SMITH: We are. Thank you, Mia.

OPERATOR: Okay. It will be just a moment. I'll make the introduction.

Welcome and thank you for standing by. At this time all participants are in a listen-only mode. During the question and answer sessions please press star and one. Be sure to un-mute your phone and record your name clearly.

I'd like to turn the meeting over to Mr. George Smith.

You may go ahead.

MR. SMITH: Okay. Good afternoon. I'd like to thank you all for participating in today's public meeting and webinar on Category 3 Source Security and Accountability.

Again, my name is George Smith and I am the facilitator for today's meeting.

We also have members of the NRC Agreement State Category 3 Source Security and Accountability Working Group in attendance here in the room and on the phone that may ask clarifying questions to ensure

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1 we accurately capture your comments.

2 We're going to start today with a safety
3 message for the participants here in the meeting room.
4 In the event of an emergency we have an emergency exit
5 -- well, emergency exit doors. The location to go,
6 you down Marinelle Road and to Citadel Avenue. Irene
7 Wu or Duncan White will account for everyone that's in
8 the room. If you're not going to stay with the group,
9 please let them know so they can account for you all.

10 Okay. So also, with the exception of the
11 first floor, the rest of the building here, Building
12 1 and Building 2, you have to be on a escort. So if
13 you go past the security guards, you have to be on a
14 escort if you're in the NRC facility.

15 If you need to use the restroom, you can
16 go out the door. To the left is the women's restroom
17 and to the right is the men's restroom.

18 And to minimize interruptions we ask that
19 everyone put their cell phones on courtesy mode at
20 this time. That's silent or vibrate.

21 We also understand that you have important
22 phone calls to either make or take. If you do have to
23 make or take a phone call, please step outside the
24 room.

25 And also we ask that you keep the sidebar

1 conversations to a minimum. That will allow us to
2 capture the information. Allegra is our -- collecting
3 information today. She's transcribing the meeting.
4 And we'd like to have everyone's comments accurately
5 taken in today by the meeting leaders.

6 Also if you're on the phone and you would
7 like to see the slides, please log onto the webinar in
8 order to follow along with the slide presentation.
9 You can go on the public meeting notice web site to
10 find the webinar.

11 Okay. Slide 2. So the agenda for this
12 meeting is as follows: So first we're going to go
13 over the public comment process. Next we will go --
14 we'll give a brief background on how we got here and
15 why we're asking for your inputs. Then we go over the
16 different comment areas and open the floor for
17 comments on each of the questions in the *Federal*
18 *Register* notice. At the end of the meeting we'll
19 provide information on the remaining public meetings
20 and webinar dates and then close the meeting.

21 Next slide, please. So this is a Category
22 3 public meeting, so we are soliciting feedback.
23 Again, we are transcribing this meeting today. Your
24 comments during the public meeting and those submitted
25 to the NRC will be considered by the NRC in preparing

1 the report to the Commission as directed by the Staff
2 Requirements Memorandum for COMJMB-16-0001.

3 The NRC does not intend to provide
4 specific responses to comments or other information
5 submitted in response to your requests. So please do
6 not provide any non-public, official-use-only,
7 safeguard or other classified information today either
8 in your comments or any kind of questions you may
9 have, or when you're submitting that information to
10 the NRC by the web or via mail.

11 So the process we'll take, for those who
12 are on the phone, the operator will place you in a
13 queue if you have a comment to provide, and then the
14 operator will inform you when you are allowed to
15 present your comment. So in order to provide as many
16 participants as possible the opportunity to
17 participate in the meeting today, we ask that you be
18 mindful of your comments to being succinct. Also,
19 based on the amount of participants that we have in
20 the meeting, those who would like to make comments, we
21 may have to limit the time period that you're allowed
22 to make your comments.

23 Slide 4. So if you have -- if you don't
24 have an opportunity to provide your comments today or
25 if you'd like to make additional comments, you may

1 submit your comments to the NRC by March 10th via the
2 web. It's <http://www.regulations.gov>. And the docket
3 number is ID -- docket ID number is NRC 2016-0276.
4 You can also look at the FRN to get the information
5 for submitting the information via mail. But the
6 important piece, when you submit your comments via
7 mail, please include the docket ID number, which is
8 again NRC 2016-0276. And please put that information
9 in the subject line.

10 So now at this time I will turn the
11 meeting over to Ms. Irene Wu.

12 MS. WU: Okay. Thank you, George.

13 My name is Irene Wu and I am a project
14 manager at the Nuclear Regulatory Commission and the
15 co-chair of the NRC Agreement State Working Group that
16 is conducting this reevaluation.

17 As you may know, the Commission issued a
18 Staff Requirements Memorandum for COMJMB-16-0001 dated
19 October 18th, 2016, which directed the NRC staff to
20 take specific actions to evaluate whether it is
21 necessary to revise NRC regulations or processes
22 governing Category 3 source protection or -- and
23 accountability. However, this is not the first time
24 that we reviewed strategies for the protection and
25 accountability of Category 3 sources.

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1 In 2007 the Government Accountability
2 Office, or GAO, conducted an investigation on NRC's
3 Material Licensing Program and was able to obtain a
4 radioactive materials license using a fictitious
5 company and placed orders that would have resulted if
6 actually obtained in receipt of an aggregated Category
7 3 quantity. After the 2007 investigation the NRC and
8 Agreement States made a number of significant changes
9 to strengthen the licensing and regulatory processes
10 to prevent individuals who may have malevolent intent
11 from obtaining a radioactive materials license.

12 In 2009 licensees began reporting Category
13 1 and 2 source information to the National Source
14 Tracking System, or NSTS. Staff had proposed to
15 expand reporting to the NSTS to include Category 3
16 sources, however, the Commission did not reach a
17 decision on the proposed rulemaking and the final rule
18 was not approved.

19 In 2014 GAO initiated another audit of the
20 Materials Licensing Program to determine whether the
21 licensing vulnerabilities identified in its 2007
22 investigation had been addressed by the NRC and
23 Agreement States. As part of its audit GAO rented
24 storefront warehouse space to demonstrate a fictitious
25 company's legitimacy during pre-licensing visits. The

1 GAO was successful in one of three attempts and
2 acquired a license for a Category 3 well-logging
3 source which they used to place one order for a
4 Category 3 source.

5 GAO then altered the license and used it
6 to place a second order for an additional Category 3
7 source. In doing so, GAO effectively demonstrated the
8 ability to obtain an aggregated Category 2 quantity of
9 material. GAO then published its final report for the
10 material licensing audit and investigation in July of
11 2016.

12 In August of 2017 we plan to submit a
13 notation vote paper to the Commission with our
14 recommendations. It is also relevant to note that
15 recently we completed our comprehensive review of 10
16 CFR Part 37, which are the physical protection
17 requirements for Category 1 and 2 quantities of
18 radioactive material.

19 That report, which is publicly available,
20 was sent to Congress in December of 2016 and the
21 results of that assessment will inform our evaluation
22 of Category 3 source security and accountability,
23 which is currently underway.

24 That was a quick high-level overview of
25 how we got here. And I've included some resources on

1 this slide if you want to delve further into the
2 background.

3 Next slide, please. The specific tasks
4 outlined in the SRM that will be addressed in the
5 notation vote paper are as follows: An evaluation of
6 the pros and cons of different methods of verifying
7 the validity of a license prior to transfer; an
8 evaluation of the pros and cons of including Category
9 3 sources in the NSTS; an assessment of any additional
10 options for addressing the source accountability
11 recommendations made by the GAO; a vulnerability
12 assessment which identifies changes in the threat
13 environment between 2009 and today that argue in favor
14 or against expansion of the NSTS to include Category
15 3 sources; a regulatory impact analysis of the accrued
16 benefit and costs of the change to include impacts to
17 the NRC, Agreement States, Non-Agreement States and
18 regulated entities; a discussion of potential
19 regulatory actions that will not require changes to
20 our regulations to include changes to guidance,
21 training and other program improvements; any other
22 factors to help inform the Commission's decision; an
23 assessment of the risks posed by aggregation of
24 Category 3 sources into Category 2 quantities; and
25 collaboration with Agreement State partners, Non-

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1 Agreement States, regulated entities, public interest
2 groups, industry groups and the reactor community to
3 fully assess the regulatory impact of any
4 recommendations to be made in the notation vote paper.

5 Next slide, please. So some of the
6 enhancements that are under consideration for this
7 reevaluation are: The verification of Category 3
8 licenses through the License Verification System, or
9 LVS, or the regulatory authority as is done with
10 Category 1 and 2 licenses; the inclusion of Category
11 3 sources in NSTS as is done with Category 1 and 2
12 sources; and expanding physical security requirements
13 to include Category 3 quantities of radioactive
14 material along with Category 1 and 2 quantities of
15 radioactive material.

16 For those unfamiliar with these systems
17 let me provide a brief explanation. LVS is a web-
18 based system that enables authorized licensees to
19 confirm that a license is valid and accurate and that
20 a licensee is authorized to acquire quantities and
21 types of radioactive materials being requested. And
22 NSTS is also a web-based system. This system tracks
23 high-risk radioactive sources from the time they are
24 manufactured or imported through the time of their
25 disposal or export, or until they decay enough to be

1 no longer of concern.

2 So these potential enhancements form the
3 basis for the questions in the *Federal Register* notice
4 that we issued on this subject, and that was published
5 back on January 9th, 2017.

6 Next slide, please. The FRN lists 22
7 questions that are separated into sections based on
8 the topics and applicability to relevant stakeholders.
9 These include: General questions related to license
10 verification, general questions related to the
11 National Source Tracking System; specific questions
12 for licensees related to license verification;
13 specific questions for licensees related to NSTS;
14 specific questions for Agreement States related to
15 license verification; specific questions for Agreement
16 States related to NSTS; and then other questions.

17 Next slide. So before we move to the
18 comment portion of this meeting I did want to include
19 a slide to show the different thresholds for Category
20 1, 2 and 3 quantities of radioactive material. As you
21 can see from this table, the Category 3 threshold is
22 greater than 1/10th of the Category 2 threshold, but
23 less than the Category 2 threshold.

24 And also of note is that the list of
25 radionuclides that are currently subject to physical

1 security requirements in 10 CFR Part 37 is different
2 than the list of radionuclides that are included in
3 NSTS. The four radionuclides highlighted in the table
4 are the radionuclides that are not included -- that
5 are -- excuse me, that are included in NSTS, but are
6 not subject to 10 CFR Part 37.

7 So I will now turn the meeting back over
8 to George to solicit comments from meeting
9 participants.

10 MR. SMITH: Okay. Thank you, Irene.

11 So now we'll transition into the comment
12 portion of the meeting. As a reminder, we do not plan
13 today to provide responses to stakeholders' feedback
14 during the meeting, but we'll use your comments to
15 inform our evaluations and recommendations.

16 Please do not provide any non-public,
17 official-use-only, safeguard and/or classified
18 information related to a specific facility. And as a
19 reminder, this meeting is being transcribed.

20 Before providing comments today please
21 state your name and the name of the organization, if
22 any, you're representing.

23 The first set of questions are general
24 questions related to the license verification. So
25 I'll go over the questions, especially for those on

1 the phone who are not logged into the web and cannot
2 see the slide presentation.

3 So question 1: Should the current method
4 for verification of license prior to transferring
5 Category 3 quantities of radioactive material listed
6 in 10 CFR 30.41(d)(1)-(5), 10 CFR 40.51(d)(1)-(5), and
7 10 CFR 70.42(d)(1)-(5) be changed such that only the
8 methods prescribed in 10 CFR 37.71 are allowed.

9 So we'll start with -- to solicit any
10 comments here in the room. We do have microphones set
11 up. If you have comments, please come to the
12 microphone so Allegra can capture your comments as
13 she's transcribing.

14 Are there any comments in the room with
15 this question?

16 (No audible response.)

17 MR. SMITH: Okay. Mia, are there any
18 comments on the telephone regarding this question?

19 OPERATOR: If you have a question from the
20 phone, please press star and one and record your name.
21 Again, star and one.

22 MR. SMITH: And while we're waiting if you
23 decide that you have a question, we can always take a
24 pause and allow you to come up to the microphone.

25 (Pause.)

1 MR. SMITH: Gina, any questions on the
2 web?

3 (No audible response.)

4 OPERATOR: And we do have one from the
5 phone when you're ready.

6 MR. SMITH: Okay. Great. As a reminder,
7 please state your name and the organization if you are
8 representing an organization.

9 OPERATOR: You may go ahead and ask your
10 question. Please state your name and organization.

11 (No audible response.)

12 OPERATOR: Hello?

13 (No audible response.)

14 OPERATOR: There was no one there.

15 MR. SMITH: Okay. No problem.

16 OPERATOR: No more questions from the
17 phone.

18 MR. SMITH: Thank you.

19 Gina?

20 MS. DAVIS: No questions from the webinar.

21 MR. SMITH: Oh, no questions? Are there
22 any kind of clarifications you guys would like to
23 make, any type of feedback you've seen thus far from
24 these type questions or clarifications of what you're
25 looking for?

1 MR. WHITE: This is Duncan White. The
2 only thing I was going to comment about, the 30.41 and
3 the other sections for source material and special
4 nuclear material. These transfer requirements date
5 back to the '70s. And again, the methods that are
6 listed in the regulations are -- for the most part may
7 not be used much anymore. So again, for terms of your
8 comments or input, again that's something we're
9 looking for that the current -- the requirements
10 currently in the regulations really do not reflect
11 current practice and they really don't reflect the use
12 of requirements in Part 37 at this time. So if you
13 get any input on that, we would appreciate it.

14 MR. SMITH: Great. We'll give it a couple
15 of more minutes.

16 Mia, are there any questions on the phone?

17 OPERATOR: No questions holding on the
18 phone.

19 MR. SMITH: Great. Thank you.

20 In the room?

21 MR. ASHKEBOUSSI: Nima Ashkeboussi, NEI.
22 Irene, do you have an estimate on the number of new
23 licensees that only possess Category 3 sources that
24 would be impacted in this analysis, those licensees
25 that would now have to report that aren't reporting or

1 licensees that may have to implement security
2 requirements if you do go down a path of requiring Cat
3 3s to have enhanced security? Any estimates on that
4 from the NRC and Agreement State side?

5 MR. QUINONES: Yes, this is Ernesto
6 Quinones. I am, or I was the chair of a working group
7 that was developed as a result of the 2015 GAO audit
8 on the NRC Licensing Program, and we estimated,
9 according to the Agreement States, that there are
10 around like 5,500 Category 3 licensees.

11 MR. WHITE: This is Duncan White. That
12 would be NRC and Agreement State license?

13 MR. QUINONES: NRC and Agreement States,
14 yes.

15 MR. SMITH: Great. Thank you.

16 Okay. Great.

17 MS. SCHLUETER: Janet Schlueter, NEI. I'm
18 going to add to the general question road we're going
19 down just for a second. Back on the slide that has
20 the SRM, could you speak to how the staff intends to
21 complete the vulnerability assessment, item 4, that's
22 in the SRM and on your diagram later?

23 MS. WU: Yes, so we're in the early stages
24 of that, but right now we are looking at some previous
25 work that has -- previous vulnerability assessments to

1 help inform our analysis here. So the majority of the
2 work we're doing is looking at old ones and making
3 sure that they cover all of the different type of
4 licensees.

5 MS. SCHLUETER: So you intend to complete
6 that in order to provide that information in the
7 August SECY paper? You would be done by that?

8 MS. WU: Correct.

9 MS. SCHLUETER: Okay. So at this time do
10 you anticipate any public meetings that would be
11 targeted just on the VA, the vulnerability assessment?

12 MS. WU: No, we're -- right now the --
13 these meetings, these series of public meetings and
14 webinars is to get feedback on all of this. But the
15 -- we aren't planning on doing any separate public
16 meetings on the VA.

17 MS. SCHLUETER: Okay. Well, I just ask
18 because when I went through the slides quickly just
19 sitting here now, I didn't see any that were targeted
20 to that SRM task. So I wasn't sure how you're going
21 about the task, the scope, the timing or whether or
22 not there would be some additional opportunity for
23 input on it, because there's no slides that speak to
24 that or give anymore context or scope.

25 MS. WU: Right. Well, we appreciate any

1 feedback that we can get on all of these tasks. But,
2 the -- yes, the public meetings are focused on the
3 questions in the FRN.

4 MS. SCHLUETER: Okay. Thank you.

5 MR. SMITH: Gina, any questions? If it's
6 not --

7 MS. DAVIS: No questions from the webinar.

8 MR. SMITH: Okay. Great.

9 So we're going to move onto question 2 if
10 there are no questions.

11 Mia, are there any questions? Anyone in
12 the queue on the phone line?

13 OPERATOR: No questions on the phone.

14 MR. SMITH: Okay. We're going to move on
15 to question 2 from the FRN.

16 Would there be an increase in safety
17 and/or security if the regulations were changed to
18 only allow license verification through the NRC
19 License Verification System, LVS, or to transferee's
20 license issuing authority for transfers of Category 3
21 quantities of radioactive material? If so, how much
22 of an increase would there be?

23 Mia, anyone in the queue online?

24 OPERATOR: Yes, we have one. One moment.

25 MR. SMITH: Thank you.

1 OPERATOR: You may go ahead with your
2 January. Please state your name and your
3 organization.

4 MR. LIETO: Ralph Lieto. My question is
5 -- relates to the LVS. Is this system active? And
6 for individuals such as myself who have never used or
7 are aware of this, how exactly does this function if
8 Category 3 gets initiated?

9 MS. WU: Okay. So this is Irene Wu. Yes,
10 the system -- the License Verification System is
11 active. It's been active since 2013. And right now
12 the way it works is prior to a transfer occurring a
13 licensee would be able to log onto the system if they
14 had access and enter some basic information about the
15 recipients licensee. And if that information is
16 correct, the license image would get pulled up on the
17 screen.

18 Licensees can also meet their license
19 verification requirements using a manual process, and
20 that is using a form that's available on our public
21 web site. We also have additional information on the
22 License Verification System on the public web site.

23 MR. SMITH: Ralph, also are you
24 representing an organization?

25 MR. LIETO: No, just my licensee.

1 MR. SMITH: Great. Thank you. You say
2 your licensee?

3 MR. LIETO: Yes.

4 MS. WU: And, Ralph, I'll add that to get
5 access to the License Verification System you do have
6 to go through a credentialing process and that
7 information, all of that is available on our public
8 web site as well.

9 MR. LIETO: I -- you know, again, having
10 -- not having used it, a couple questions, follow-up
11 questions, if I may. So how long does this
12 credentialing process take? And once you're
13 credentialed, when you go to make a -- have a source
14 say transferred or received; I'm a medical licensee,
15 how long does that process take? And is this a 24/7
16 availability?

17 MS. WU: Right, so the credentialing
18 process takes approximately a month. It can be done
19 faster depending on how quickly you -- the applicant
20 responds to the emails that are part of the process.
21 There's an identity proofing step as well as a need to
22 know and employment verification step. And the
23 systems, both the National Source Tracking System and
24 the License Verification System are available online
25 24/7.

1 MR. SMITH: And one follow-up question,
2 Ralph. Who's your licensee?

3 MR. LIETO: I'm with Saint Joseph Mercy
4 Health System --

5 MR. SMITH: Great. Thank you.

6 MR. LIETO: -- Ann Arbor, Michigan.

7 MR. SMITH: Okay. Great. Thank you.

8 Oh, please?

9 MS. FAIROBENT: Lynne Fairobent, member of
10 the public. To follow up Ralph's question on the LVS,
11 is it widely used by all Agreement States currently?

12 MS. WU: Yes. Again, we have folks who
13 use the system directly because they've been
14 credentialed to use the system, or they're using the
15 manual process.

16 MS. FAIROBENT: So all Agreement State
17 licenses are in the LVS?

18 MS. WU: So the licenses are stored in the
19 Web-Based Licensing System and we have all but one
20 Agreement State agency's license information in there.
21 And then, so if a license verification is being done,
22 on one of those licenses they'll have to follow the
23 manual process.

24 MS. FAIROBENT: Okay. And that's for all
25 categories or just Category 1 and 2 material?

1 MS. WU: One and two.

2 MR. SMITH: Just a quick --

3 MS. FAIROBENT: So you -- just to clarify
4 then, the Agreement States' Category 3 licenses would
5 have to be uploaded to the system? They're not
6 currently accessible now?

7 MS. WU: That's correct. There are a few
8 states that are using their -- our Web-Based Licensing
9 System as their licensing system, in which case that
10 information for all categories is in WBL, but for the
11 majority of states that are just providing us their
12 Category 1 and 2 licenses, that if were to go forward
13 with this, we would need Category 3 licenses in there
14 as well.

15 MS. FAIROBENT: Okay. And then I guess a
16 follow-up question is is LVS robust enough to handle
17 the increase in real time of the additional Category
18 3 licenses and material?

19 MS. WU: Yes. So, license verification --
20 the LVS system is really just a go-between between the
21 National Source Tracking System and the Web-Based
22 Licensing System, and I would say all three systems
23 are robust to handle additional licenses and
24 additional transactions.

25 MS. FAIROBENT: Up to an unlimited number,

1 or up to 1,000, or up to -- has there been any
2 estimate and verification that the system can handle
3 the additional burden of content?

4 MS. WU: Yes, I would say that we have
5 built, we have designed and built the systems to be
6 able to handle additional licenses and additional
7 transactions, but any more specifics than that I would
8 have to ask our IT folks.

9 MS. FAIROBENT: Okay. Thanks.

10 MR. SMITH: So just to follow up, Lynne.
11 So are you familiar with the LVS System at all?

12 MS. FAIROBENT: Yes.

13 MR. SMITH: Any thoughts on including
14 Category 3 into LVS? Do you think it would increase
15 safety and security at all or --

16 MS. FAIROBENT: I think I will refrain
17 until I submit my written comments.

18 MR. SMITH: Yes.

19 MS. FAIROBENT: But I also have comments
20 on record from 2009 --

21 MR. SMITH: Yes.

22 MS. FAIROBENT: -- that I would tend to --

23 MR. SMITH: And those comments were? What
24 were those comments?

25 MS. FAIROBENT: I think that I would

1 rather you pull the record than --

2 MR. SMITH: Okay.

3 MS. FAIROBENT: -- for me to misspeak
4 perchance.

5 MR. SMITH: Right.

6 MS. FAIROBENT: But I think that there are
7 concerns from my perspective with the system.

8 MR. SMITH: Sounds like it was dealing
9 with the expansion of the system, being able to handle
10 the increased volume. Is that --

11 MS. FAIROBENT: Both expansion, security,
12 cybersecurity, throwing all the eggs in one basket.
13 If somebody wants to defeat the system, one can. No
14 system is 100 percent secure.

15 MR. SMITH: Okay. Great. So you --

16 MS. FAIROBENT: Issues with Agreement
17 States and usability.

18 MR. SMITH: Right.

19 MS. FAIROBENT: Usability from an end user
20 standpoint. I could on, and I will in public comment.

21 MR. SMITH: Great. Great. And for
22 clarification, there is a cybersecurity component to
23 what we're doing also for LVS and everything, right?
24 I mean, we've looked at cybersecurity.

25 MS. WU: Yes, we go through a security

1 categorization process and periodically evaluate and
2 make sure that it is at the right level.

3 MR. SMITH: Great. Thank you.

4 Mia, do we have anyone in queue on the
5 phone?

6 OPERATOR: No questions on the phone.

7 MR. SMITH: Oh, sorry, Nima.

8 MR. ASHKEBOUSSI: Nima Ashkeboussi, NEI.
9 For the second question here you're asking
10 stakeholders to determine if there is an increase in
11 safety by moving to Category 3 tracking in LVS. And
12 then you asked them to quantify that. So when NRC is
13 looking at this question, do you guys have a
14 methodology for how you're going to quantify what
15 increases in safety or security are going to exist by
16 potentially tracking Cat 3 quantities? Is there a
17 methodology that's been developed that you can share?

18 MR. WHITE: This is Duncan White. There's
19 not a specific methodology, but certainly one of the
20 things we're looking for is for benefits and costs to
21 do that. So any specific information that you would
22 have on how much -- the increase in time to use it,
23 how much more staff time would go into doing
24 additional transfer that you would normally not have
25 to do, anything like that could help quantify would be

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1 helpful.

2 MR. ASHKEBOUSSI: So I think it would be
3 easy for us to give cost information, but the benefit
4 I think is where the challenge is going to be. What
5 level of benefit are we really gaining by doing this
6 additional tracking? I mean, other than a couple GAO
7 stings there's no other incidents I'm aware of where
8 there's been falsified licenses or other licensees
9 that have tried to obtain Category 2 quantities from
10 their authorized Category 3 quantities. So it's hard
11 to quantify what those benefits are.

12 So costs we can understand. Benefits, I
13 think that's a challenge on our end, and I'm not sure
14 how you're going to address that as well.

15 MS. ATACK: Yes, Sabrina Atack with the
16 NRC. One thing that we would have to do if we did
17 proceed with any recommendations for rulemaking in
18 this area would be the rulemaking process, which
19 includes an evaluation of cost and benefit. And as a
20 preliminary step to that in the SRM the Commission
21 provided they did ask us to perform some preliminary
22 analyses of the cost and benefit.

23 So we're working with rulemaking staff to
24 support the working group. It's performing this
25 evaluation such that any recommendations we provide to

1 the Commission will have a preliminary evaluation of
2 cost and benefit. And then if we do proceed with a
3 recommendation for rulemaking, we would have to go
4 through the intensive process, public comment and then
5 the formal cost and benefits analyses.

6 MR. SMITH: Okay. Any other comments here
7 in the room?

8 (No audible response.)

9 MR. SMITH: Any comments on the web?

10 MS. DAVIS: No questions on the webinar.

11 MR. SMITH: Mia, any comments or questions
12 on the phone?

13 OPERATOR: No questions on the phone.

14 MR. SMITH: Okay. We're going to move
15 onto question No. 3. If the NRC changed the
16 regulations to limit license verification only through
17 LVS or to transferee's license issuing authority for
18 transfer of Category 3 quantities of radioactive
19 material, should licensees transferring Category 3
20 quantities to manufacturers and distributors be
21 excepted from the limited?

22 Mia, any questions on the phone.

23 OPERATOR: No questions on the phone.

24 MR. SMITH: Great. Thank you. Are there
25 any questions here in the room?

1 (No audible response.)

2 MR. SMITH: Comments here in the room?

3 (No audible response.)

4 MR. SMITH: Are there any comments on the
5 web?

6 MS. DAVIS: No comments on the web.

7 MR. SMITH: Okay. Would you guys like to
8 provide any kind of clarifications or anything that
9 you're looking for to -- in this question?

10 MR. WHITE: This is Duncan White. One
11 thing for consideration, for example, would be
12 obviously we'd have the licensee do such transactions
13 as is done with CAT 1 and 2, but again looking at
14 alternatives would be possibly having the manufacturer
15 do that for their customer, for example. So those are
16 the type of things that you may want to consider in
17 providing a response to this particular question. And
18 that's what we were trying to is trying to go beyond
19 just the licensee being the only one doing the --
20 involved with the LVS transfer, having possibly like
21 the manufacturer or the distributor do it.

22 MR. SMITH: Great. Thank you.

23 As a reminder please do not provide any
24 non-public information, safeguards or classified
25 information with your comments.

1 MR. MILLER: John Miller with
2 International Isotopes. Just to respond to that
3 suggestion, I don't know how you would work that out
4 with say a supplier and customer relationship.
5 There's some liability that's being transferred, and
6 I don't know if our customers would feel comfortable
7 with us making a verification for them or vice-a-
8 versa.

9 We're -- as a manufacturer we use LVS
10 often. I think once you get down to the CAT 3 level
11 and you're dealing with a lot of end users that will
12 be sending shipments back to customers or
13 distributors, it might get a little bit more
14 overwhelming than it is now. But I definitely don't
15 like the idea of using surrogates to make verification
16 for somebody else.

17 MR. WHITE: Thank you for that comment.

18 MR. SMITH: Great. Thank you.

19 Any comments on the web?

20 MS. DAVIS: No comments on the webinar.

21 MR. SMITH: Mia, any comments on the line

22 OPERATOR: Yes, we do have a question from
23 Ralph Lieto.

24 Go ahead, sir.

25 MR. LIETO: Yes, I want to clarify. Are

1 you asking if there -- you have the situation where
2 you have a licensee who's getting sources only from
3 one vendor and returning them back to them for
4 disposal or ultimate handling, that they -- those
5 types of circumstances would be exempted?

6 MR. WHITE: This is Duncan White again.
7 I don't think we were trying to --

8 MR. LIETO: I guess maybe I'll give you a
9 specific and maybe that might be helpful.

10 For example, in Category 3 one of the most
11 likely sources to be included are going to be HDR
12 iridium-192 sources. And depending on the
13 manufacturer of the machine you only can get sources
14 from one place, so you're basically going back and
15 forth getting new ones and exchanging for the old
16 ones. Would that have to be -- would that be a
17 circumstance where you're asking that an exemption be
18 appropriate?

19 MR. WHITE: That was one area that we were
20 thinking that this would apply, yes.

21 MR. LIETO: Okay.

22 MR. SMITH: Ralph, a quick question. What
23 organization or licensee do you represent?

24 MR. LIETO: I'm with Saint Joseph Mercy
25 Health System in Ann Arbor, Michigan.

1 MR. SMITH: Oh, yes. All right. Great.
2 Thanks.

3 MR. WHITE: Yes, this is Duncan White
4 again. Another additional comment. I mean, we
5 recognize for -- again for Category 3 that the medical
6 licensees with HDRs and well-loggers are probably the
7 two biggest groups impacted, potentially impacted by
8 this change. And we do recognize for the medical
9 licensees their relationship in transferring back and
10 forth would be directly with the manufacturer back and
11 forth.

12 For well-loggers, again, the information
13 that we have; and again, we would certainly like to
14 hear more information from the regulated community on
15 this, is I think the majority of the time the
16 relationship is directly between the manufacturer and
17 the customer, but there's also many instances in well-
18 logging where it's between the end users that would
19 transfer sources between them.

20 And again, the scenario I threw out there
21 again may be hard to use in that particular case. But
22 again, what we're looking for is input on people's
23 thoughts on that. Again, we recognize there are
24 multiple regulated communities impacted by this. And
25 again, what we're trying to do here is trying to

1 consider ways that would be advantageous maybe to the
2 largest possible group as a possible alternative to
3 evaluate.

4 MR. LIETO: One follow-up question,
5 please?

6 MR. SMITH: Sure.

7 MR. LIETO: Actually sort of a more
8 general one. In terms of the radionuclides that we're
9 talking about, is it only going to be limited to
10 either what's listed in Part 37 or in the NSTS? Is
11 that the only sources we're talking about, or would
12 this list be expanded to include any radionuclide?

13 MR. WHITE: This is Duncan White again.
14 Right now we're just considering those groups of
15 radionuclides.

16 MR. LIETO: In the NSTS listing?

17 MR. WHITE: Yes, both in NSTS and in Part
18 37.

19 MR. LIETO: Okay.

20 MR. SMITH: Okay. Are there any other
21 questions here in the room?

22 (No audible response.)

23 MR. SMITH: Do we have any questions on
24 the web?

25 MS. DAVIS: No questions on the webinar.

1 MR. SMITH: Great. Thanks.

2 Mia, any additional questions on the
3 phone?

4 OPERATOR: No questions from the phone.

5 MR. SMITH: Great. Thank you.

6 So we'll move on to question No. 4. Is
7 there anything else we should consider when evaluating
8 different methods of license verification prior to
9 transferring Category 3 quantities of radioactive
10 material?

11 Any comments here in the room? Sure.

12 MR. MILLER: John Miller, International
13 Isotopes. Yes, whether it's CAT 3, CAT 2 or CAT 1 for
14 LVS, I think one of the flaws with the system right
15 now is a timeliness requirement. As a manufacturer we
16 may ship CAT 1, CAT 2, CAT 3 sources to the same
17 customer multiple times in a month, multiple times in
18 a week. How long is a license verification good for?
19 Do I do it prior to every transfer? Can I do it once
20 a month and do it every 30 days if I'm transferring to
21 the same customer? So that's something that I think
22 needs to be considered.

23 MR. SMITH: Great. Thank you for the
24 comment.

25 Mia, any additional comments on the phone

1 line?

2 OPERATOR: No comments on the phone.

3 MR. SMITH: Gina, on the web?

4 MS. DAVIS: No comments on the web.

5 MR. SMITH: Thank you.

6 Okay. We'll move onto the next set of
7 questions, which are general questions related to the
8 National Source Tracking System, NSTS.

9 Question 1: Should Category 3 sources be
10 included in NSTS? Please provide a rationale for your
11 answer.

12 Mia, any comments on the line?

13 OPERATOR: No comments from the phone.

14 MR. SMITH: Thank you.

15 Gina, any comments on the webinar?

16 MS. DAVIS: No comments on the web.

17 MR. SMITH: Thank you. Any comments here
18 in the room?

19 PARTICIPANT: (Off microphone.)

20 (Laughter.)

21 MR. SMITH: We welcome all comments.

22 MR. MILLER: I mean, just a simple
23 comment. I mean, just straightforward I would just
24 say no. I just think the number of sources which you
25 will be collecting data on is going to be

1 overwhelming. And what we have in place as far as
2 keeping inventories and that, when you're down to a
3 CAT 3 level, I think personally that the regulations
4 as they are now are adequate to track Category 3.

5 If we start putting CAT 3 into NSTS, one,
6 I don't think there's going to be any increase in
7 safety and security for the effort that we're going to
8 see. I mean, NSTS to me is like a checkbook ledger.
9 I keep track of items. There's no way to prevent a
10 theft with NSTS. You might be able to put together
11 some steps and maybe find out where something might be
12 missing if it isn't received in time, but as far as
13 the effectiveness of increase in safety and security
14 for Category 3 I don't think the NSTS really has much
15 of a role there.

16 MR. SMITH: Thank you.

17 Mia, any additional comments on the line?

18 OPERATOR: Yes, we do have another
19 question from Ralph Lieto.

20 Go ahead.

21 MR. SMITH: Great. Thank you.

22 MR. LIETO: And answering this question I
23 think kind of gets to the crux of the whole reason for
24 these regulations, but how many sources has this NSTS
25 system caught with Category 1 and 2 to prevent

1 inappropriate transfer or whatever? In other words,
2 if there's been no problems found using this system,
3 it sure doesn't seem to indicate that there's a
4 benefit in expanding it into Category 3.

5 MR. SMITH: So for clarification you're
6 saying that there have not been any problems tracking
7 Category 3 sources so NSTS should not be -- should not
8 include Category 3 sources?

9 MR. LIETO: It would seem to indicate
10 there's not really any benefit in expanding it.

11 And I guess probably a follow-up question
12 is how many licensees are involved with the Category
13 1 and 2 tracking currently just as a comparison to the
14 like 5,500 that you would be adding in with Category
15 3?

16 MS. ATACK: Thanks for the comment, Ralph.
17 That's something we would have to do a more formal
18 analysis of in terms of if there have been any
19 instances with respect to CAT 1 and 2 sources where
20 NSTS or LVS have prevented aggregation or have
21 prevented a transaction that a licensee attempted to
22 perform but was not approved.

23 One thing that the License Verification
24 System will do is a comparison of the licensee's
25 inventory to their possession limit. So it would not

1 allow a verification to take place if the licensee is
2 exceeding their possession limit. So that's one check
3 and balance that the system does provide. In terms of
4 numbers where those instances have occurred, I can't
5 give you that number at this time.

6 MS. WU: And, Ralph, this is Irene Wu.
7 I'll answer the second part of your question. So
8 right now there's about 1,400 or so licensees that are
9 subject to NSTS reporting for CAT 1 and 2 sources.
10 And the number of sources in NSTS fluctuates daily
11 because sources are manufactured and sources will
12 decay below threshold, but it's somewhere between 75
13 and 80,000 sources.

14 MR. LIETO: Thank you.

15 MR. SMITH: Thank you. Any additional
16 comments here in the room?

17 (No audible response.)

18 MR. SMITH: Gina, any additional comments
19 on the web?

20 MS. DAVIS: No comments on the web.

21 MR. SMITH: Great. So again, those who
22 are logged on to the web site, if you do not -- I
23 mean, on the webinar, if you would like to submit your
24 questions via the webinar, we do have someone that's
25 monitoring those questions. And we'll read those

1 questions out loud to make sure we capture them in the
2 transcripts.

3 Mia, are there any additional comments
4 online?

5 OPERATOR: No comments from the phone.

6 MR. SMITH: Okay. And we understand that
7 we may have some strong opinions as to Category 3, but
8 we really would like to hear those comments, if you
9 have them, and so we can take those comments into
10 consideration.

11 We'll move on to question No. 2. If
12 Category 3 sources are included in the National Source
13 Tracking System, should the NRC consider imposing the
14 same reporting requirements currently required for
15 Category 1 and 2 sources? And those are contained in
16 10 CFR 20.2207(f).

17 Any comments here in the room?

18 MR. MILLER: It's more of a question.

19 MR. SMITH: Yes, no problem.

20 MR. MILLER: So in addition to being a
21 manufacturer we also recycle dis-used sources. A lot
22 of them that we receive are just barely Category 2,
23 and then they have decayed off of the NSTS before we
24 had a chance to disassemble them. And I'm just
25 wondering what happens to say Category 2 sources that

1 have decayed below the threshold? Are they still
2 maintained in the NSTS?

3 And then if we move to Category 3, is
4 there going to be a rejuvenation of these sources that
5 had decayed off? And then would that licensee that
6 last had those sources, would they be given a
7 spreadsheet to say, look, make -- find out whether or
8 not these sources still exist? Because, I mean,
9 literally I've had thousands of sources decay off
10 below Category 2. And some of them we still have and
11 some of them are long gone.

12 MS. WU: Thank you, John, for the
13 question. So the answer to the first part is that
14 those sources once they have decayed below Category 2
15 thresholds are still in NSTS. They're just not
16 visible to the licensee. But administratively we can
17 still see them and we can still see the full record.

18 Now whether or not -- we're still really
19 early in the process here, so if Category 3 sources
20 were to be included in NSTS, we'd have to figure out
21 how to best -- whether it would be to take the
22 information that's in there or to do something like we
23 did for the initial reporting back in 2009 where
24 licensees provided us some initial information. But
25 again, it's too early in the process to know how that

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1 would actually be implemented.

2 MR. WHITE: This is Duncan White. I have
3 a question about -- if we had cases where sources have
4 been Category 1 decayed to Category 2, we just
5 continue to track them?

6 MS. WU: Right, so the sources in NSTS
7 right now get -- the decay calculation is run every
8 evening in the system, and so if it decays from
9 Category 1 to Category 2, it still stays in that
10 licensee's inventory. It's only when it falls below
11 Category 2 thresholds that it will fall out of that
12 licensee's inventory.

13 MR. WHITE: So obviously one of the things
14 that we'd consider here is if a Category 3 is included
15 in NSTS, as you said, if Category 2 sources do decay
16 to Category 3, they would obviously continue to be
17 tracked and it would have be closed out appropriately.

18 MR. SMITH: Also for clarification, when
19 you speak of reporting requirements, can you sort of
20 expound on that? I'm saying what's the expectation
21 for reporting requirements? What do you mean by that?

22 MS. WU: Okay. So current reporting
23 requirements are in 20.2207, and those are
24 transaction-based. So any time a source is
25 manufactured, transferred, received, imported,

1 exported or disposed of and disassembled, a
2 transaction has to be submitted to the National Source
3 Tracking System by close of business the following
4 day. And that can either be done through the NSTS
5 directly or through the NRC Form 748. And the
6 regulations do provide what specific information has
7 to be provided for each transaction.

8 MR. SMITH: Great. Thank you.

9 So based on Irene's explanation, do you
10 anticipate any increased burden, or what effect would
11 that have on your organization? That would be an
12 interesting -- but right now we'll let Nima go first
13 and then we'll let you go. But keep that in mind if
14 you're on the phone or in the webinar.

15 MR. ASHKEBOUSSI: Nima Ashkeboussi, NEI.
16 So to answer question No. 2 here, and if they're
17 included in NSTS, which I don't think they should be,
18 but if they are included, I think that NRC should
19 pursue a graded approach to the reporting requirements
20 considering that CAT 3 sources are less of a safety
21 and security risk than CAT 1 and CAT 2. So something
22 that's not equal to the current reporting
23 requirements.

24 MR. SMITH: Just real quick, so when you
25 say "graded approach," what would you consider graded?

1 MR. ASHKEBOUSSI: Longer time, longer
2 grace period to report, for example --

3 MR. SMITH: Okay.

4 MR. ASHKEBOUSSI: -- may be one example.

5 MR. SMITH: Great.

6 MR. ASHKEBOUSSI: We'll have a letter that
7 maybe gives some more ideas.

8 MR. SMITH: Okay. Great. Thank you.

9 MS. FAIROBENT: Lynne Fairobent, member of
10 the public. Just to get back, Irene, to your comment
11 on the two ways to report currently directly into NSTS
12 or utilizing the form, do you know what percent of
13 licensees are doing electronic reporting versus
14 sending you the form? I know initially there had been
15 trouble with electronic reporting. I'm just curious
16 because that of course could then impact the usability
17 as you add additional sources or licensees into the
18 robustness of the system.

19 MS. WU: Yes, thank you for the question.
20 So we have about -- it's -- well, it fluctuates
21 depending on business, but it's about 30 to 40 percent
22 of licensees do report directly to the online system.
23 And then a fair amount do report using the Form 748,
24 which now you can either fax or email. And we've made
25 some upgrades in the past few years making the email

1 capability a little bit easier, so we like to credit
2 for that to be considered as electronic reporting as
3 well.

4 And so, if you take into consideration the
5 electronic -- the email reporting of the Form 748s and
6 the direct online reporting, it's about -- like 95-98
7 percent of all reporting is done electronically. Very
8 few are faxing now.

9 MS. FAIROBENT: What's the delay in data
10 entry though for those that are not automatically
11 entered in? I don't -- personally, receiving an email
12 with the information or receiving a faxed form with
13 the information, the system's not real time. So what
14 is the delay in the data entry? And I think that gets
15 back to I believe John's point earlier that he may
16 have had.

17 MS. WU: Yes, we're currently not
18 operating on a backlog. Again, if you report directly
19 to the system, the changes are made instantaneously.
20 If they are reported via fax or by email, it could be
21 up to 24 hours. This time of year with the annual
22 inventory reconciliation going on they may be
23 experiencing a backlog, but I haven't heard of any.

24 MS. FAIROBENT: Okay.

25 MR. SMITH: Thank you.

1 Mia, are there any additional questions or
2 comments on the line?

3 OPERATOR: No comments on the phone.

4 MR. SMITH: Great. Thank you.

5 Gina, any comments on the web?

6 MS. DAVIS: No questions on the webinar.

7 MR. SMITH: Great. Thank you.

8 Again, we'd like to consider what type of
9 effect would it have on you as a licensee or your
10 organization if Category 3 was to be expanded and
11 included in NSTS. And just listening earlier there
12 seemed to be some concerns as far as capacity and the
13 increased amount of those submittals of Category 3 to
14 include Category 1 and 2, but to include Category 3 in
15 those reporting requirements also.

16 MR. FULLER: I'm Mike Fuller with QSA
17 Global. Just a -- this is an off-the-cuff estimate,
18 but based on the volume of sources that we work with
19 the NSTS, if we were to include the Category 3
20 quantities, we would probably double our
21 administrative burden that's on it, which is -- it's
22 about half of a full-time equivalent right now. So we
23 would estimate that it would probably double.

24 MR. SMITH: Great.

25 MR. WHITE: Mike, a follow-up question for

1 you. About how many sources does that represent you
2 would handle?

3 MR. FULLER: For returns, because
4 primarily the Category 3s would be the returns --
5 well, the well-logging would also be the Category 3 as
6 well. That's a relatively low volume right now,
7 unfortunately. A rough estimate would be anywhere
8 from 30 to 60 transactions a day.

9 MR. WHITE: Okay. Thank you. That's
10 helpful.

11 MR. SMITH: Great.

12 Mia, any additional comments on the line?

13 OPERATOR: No comments on the phone.

14 MR. SMITH: Okay. Great. Thanks.

15 Gina, any additional comments on the web?

16 MS. DAVIS: No additional comments on the
17 web.

18 MR. SMITH: Are there any additional
19 comments here in the room?

20 (No audible response.)

21 MR. SMITH: Okay. Hey, just as a
22 reminder, this meeting is being transcribed. Also, we
23 ask that you do not provide any non-public
24 information, any site-specific information, safeguards
25 information or classified information when you're

1 making comments or if you're asking a question.

2 So we're going to move on to question No.

3 3. Should the NRC consider alternatives to the
4 current NSTS reporting requirements for Category 1 and
5 2 sources to increase the immediacy of information
6 availability such as requiring a source transfer to be
7 reported prior to or on the same day as the source
8 shipment date?

9 Are there any comments here in the room?

10 (No audible response.)

11 MR. SMITH: Gina, any comments on the web?

12 MS. DAVIS: No comments on the web.

13 MR. SMITH: Okay. Thank you.

14 Mia, are there any comments on the phone
15 line?

16 OPERATOR: No comments on the line.

17 MR. SMITH: Can you all provide any kind
18 of clarification of the immediacy of information
19 availability that may be helpful or with generating
20 comments?

21 MS. WU: Yes, so this is Irene Wu. Right
22 now, as we mentioned earlier, reporting requirements
23 to the National Source Tracking System is all by close
24 of business the following day. So this question is
25 really driving at whether that should be changed to

1 have sort of before reporting or same-day reporting.

2 MR. SMITH: Sure.

3 MR. MILLER: So John Miller with
4 International Isotopes. I don't see what value there
5 would be in doing that, to make sure that the NSTS is
6 immediately to date when you're looking at Category 1
7 and Category 2, because you've got -- when you're
8 making a transfer for Category 1 and Category 2, CAT
9 1 you've got the Part 37 requirements where you're
10 doing notifications and you've got routing and time
11 estimates. And then for CAT 2, the same thing. You
12 start off and you've got your no-later-than arrival
13 time.

14 And so, I mean, I think that's the
15 important part for the Category 1 and Category 2
16 transfers. And if you start something where now
17 you're going to make a transaction prior to actually
18 transferring, well, shipments don't always go out when
19 we plan them to, and so there's -- that could cause
20 more problems than I think what value would be.

21 MR. SMITH: Great. Thank you.

22 Any other comments here in the room?

23 (No audible response.)

24 MR. SMITH: Mia, do we have any comments
25 on the web? I'm sorry, on the phone line?

1 OPERATOR: No comments on the phone.

2 MR. SMITH: Gina, any comments on the web?

3 MS. DAVIS: I'm getting a general question
4 regarding whether these public meetings slides will be
5 available on the web, if there's a site someone can
6 look at those.

7 MS. WU: Yes, we can post them on our --
8 we do have a web site dedicated to this reevaluation,
9 and we can post the meeting slides up there.

10 MS. DAVIS: Okay. Thank you.

11 MR. SMITH: But as a reminder, the
12 questions that we're -- that are on the meeting slides
13 are on the FRN.

14 If you think of any kind of comments or
15 questions on past questions that's been asked, you can
16 also comment on those questions.

17 So we're going to move on to question 4.
18 Would there be an increase in safety and/or security
19 if the regulations were changed to include Category 3
20 sources in NSTS? And if so, how much of an increase
21 would there be?

22 Any kind of clarifying comments that you
23 could provide? Do we feel that -- are we looking at
24 the system as Category 3 not being tracked there? Are
25 you looking for any kind of increase in security in

1 order -- and that's the reason why you're looking at
2 tracking it in NSTS? Would that be -- what would be
3 the gain of tracking these sources in NSTS? Any kind
4 of clarifying questions or comments?

5 MR. WHITE: Yes, this is Duncan White. A
6 couple people have already -- commenters already
7 alluded to the fact that they don't really see much of
8 a safety or security increase if we go -- CAT 3
9 putting them into NSTS. Again, if anyone wants to be
10 more specific than that and then why you don't see
11 that being a particular -- why it would not increase
12 safety or security -- again, people have already
13 comment that that's -- they don't believe that's going
14 to be the case, but we would -- one of the things that
15 would be helpful for us so we get feedback, a little
16 more specificity on why you don't think that would be
17 -- again, if you don't want to respond now, that's
18 fine, but certainly if you are -- provide written
19 comments, we certainly would appreciate the insights
20 on that.

21 MR. SMITH: And that is a good point that
22 Duncan is bringing up. If Duncan and Irene understand
23 why you believe there's not an increase in safety and
24 security, that would be part of their -- that they can
25 consider in part of their evaluation also.

1 Gina, are there any additional comments?

2 OPERATOR: No additional comments.

3 MR. SMITH: Mia, are there any additional
4 comments on the phone line?

5 OPERATOR: No comments from the phone.

6 MR. SMITH: Great. Thank you.

7 Okay. We'll move on to question 5. And
8 as a reminder, you can -- if you have a comment on one
9 of the previous questions, feel free to bring those
10 comments up or those questions up.

11 Question No. 5: Is there anything else we
12 should consider as part of the evaluation of including
13 Category 3 sources in NSTS?

14 Okay. Mia, are there any comments there
15 on the phone line?

16 OPERATOR: No comments on the phone.

17 MR. SMITH: Gina, any comments on the web?

18 MS. DAVIS: No comments on the web.

19 MR. SMITH: Thank you.

20 Are there any comments here in the room?

21 MR. WHITE: George, to add one thing for
22 people to consider when they form responses there, for
23 some regulated community this would be the first time
24 they would be -- if we go down to Category 3, they
25 would have to work with NSTS and LVS, obviously. So

1 in responding to this question you would want to
2 consider that in your response. Obviously people who
3 are already using these systems have familiarity with
4 it, but people who are new to these systems don't --
5 what type of challenges would they face doing that?

6 We already talked a little bit about
7 credentialing that would have to be -- they would have
8 to go through, but is there anything else that we
9 should consider in our evaluation? We would
10 appreciate hearing that. But again, we recognize the
11 group of people who have not had to use these systems
12 before.

13 MS. FAIROBENT: Duncan, Lynne Fairobent,
14 member of the public. Just to follow up on that, the
15 credentialing of an individual would be if they are
16 going to direct upload the data, right? Or do they
17 also have to go through the same credentialing process
18 if they simply fax in the form or send an email?

19 MS. WU: Right. They only need to get
20 credentialed to have direct access to the system.

21 MS. FAIROBENT: Okay. Thank you. I think
22 that's an important point for new Category 3 licensees
23 to understand.

24 MR. SMITH: Okay. I'm sorry. So why is
25 that important?

1 MS. FAIROBENT: There's an increased
2 burden on the licensee if they have to go through a
3 credentialing process to have direct access to NSTS --

4 MR. SMITH: Great.

5 MS. FAIROBENT: -- that they do not have
6 to go through if they choose to submit the information
7 in another manner.

8 MR. SMITH: Great. Thank you so much.

9 Mia, any additional comments on the line?

10 OPERATOR: No comments on the phone.

11 MR. SMITH: Okay. Gina, any additional
12 comments on the web?

13 MS. DAVIS: No questions on the web.

14 MR. SMITH: Okay. So we're going to go to
15 question 1 on the next set of questions. These next
16 set of questions are specifically for licensees
17 related to license verification.

18 So question 1: It currently takes
19 approximately one month to get credentialed to access
20 LVS. If you currently do not have online access to
21 LVS and NRC establishes new requirements for license
22 verification involving Category 3 quantities of
23 radioactive material, would you be inclined to sign up
24 for online access or would you use alternative methods
25 for license verification such as emailing the NRC Form

1 748, which is the manual license verification report,
2 to the LVS help desk, or by calling the license
3 issuing regulatory authority directly?

4 I think we kind of talked a little about
5 credentialing the last comment.

6 MS. WU: Yes, I'll add to this.

7 MR. SMITH: Yes.

8 MS. WU: Irene Wu. Some of the previous
9 hiccups that we encountered with folks getting
10 credentialed -- a lot of folks who are out in the
11 field a lot or don't have very many transactions have
12 told us that they choose not to apply for online
13 access and to get credentialed mainly because it's
14 just one more password and one more ID to memorize.
15 So that's why they choose to pursue the more manual
16 process.

17 MR. SMITH: Can you speak to the LVS help
18 desk for those who may -- not familiar with
19 credentialing and are they -- do they use the LVS help
20 desk? Does that make it easier for them? Any
21 comments on that at all?

22 MS. WU: Yes, so we do have a help desk
23 dedicated for both the National Source Tracking System
24 and the License Verification System. They're
25 available Monday through Friday, 8:00 to 8:00 p.m.,

1 and they do support licensees on a variety of topics
2 including when to report and issues with accessing the
3 system, getting them through the credentialing
4 process, things like that.

5 MR. SMITH: Comment, please?

6 MR. MILLER: Yes, just one other
7 limitation with the online access that hasn't been
8 raised, but it is an ethernet connection. You can't
9 gain access to LVS or the NSTS using wireless, so
10 people that are CAT 3 licensees that are thinking
11 about online access, that's something that they need
12 to consider.

13 MS. WU: Yes, that's a good point. We've
14 heard that feedback from several licensees. And we've
15 posed that to our IT folks if that's going to change,
16 but as of right now it is a hard connection, yes.

17 MR. SMITH: Any additional comments on the
18 web?

19 MS. DAVIS: We do have one question from
20 the web. How do I submit a question on the phone?

21 MR. SMITH: On the phone?

22 MS. DAVIS: Yes.

23 MR. SMITH: They'd have to call into the
24 webinar.

25 MS. DAVIS: Right. Is there a star --

1 MR. SMITH: You have the number?

2 MS. WU: Star, six.

3 MS. DAVIS: Okay. Thank you.

4 MR. SMITH: Oh, Mia, can you explain the
5 process of allowing participants to ask a question on
6 the phone line?

7 OPERATOR: Yes, certainly. I'll remind
8 them it is star and one. And then they'll need to
9 record their name. Star and one with questions.

10 MR. SMITH: They don't need the phone
11 number, do they? Do they need the phone number or
12 they just need the process?

13 (No audible response.)

14 MR. SMITH: Oh, okay. Okay. I
15 misunderstood. Okay.

16 Any additional comments here in the room?

17 (No audible response.)

18 MR. SMITH: Mia, any additional comments
19 on the phone line?

20 OPERATOR: Yes, we do have a couple of
21 questions. Our first one comes from Ralph Lieto.

22 Go ahead.

23 MR. LIETO: My question has to do with the
24 credentialing process. Is that specific to an
25 individual or would it be to the licensee such that

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1 more than one individual could be -- would have to --
2 only the licensee would have to go through the
3 credentialing process once?

4 MS. WU: It's specific to the individual.

5 MR. LIETO: Okay. That's problematic.

6 MR. SMITH: Can you expound upon that, the
7 problem that you foresee?

8 MR. LIETO: Well, I was going to wait to
9 answer some of the other questions, but I think
10 probably I'll just hit them all at once right now. In
11 that as a medical licensee you're exchanging the
12 sources once per quarter per device, and probably most
13 licensees don't have -- I think very rare that they
14 have more than two devices. So you're not -- you're
15 only doing this once a quarter.

16 And then if you change individuals --
17 because it's probably going to be a medical physicist
18 that's going to be involved with this or an RSO. And
19 those individuals change -- not too frequently, but I
20 just think that it would be a huge burden on a
21 licensee to go through this credentialing process for
22 one individual. And they have to be the only person
23 that can do the verification process, and on such an
24 infrequent basis.

25 So I would think that going through the

1 credentialing process would be extremely unlikely for
2 medical licensees and that -- because of the frequency
3 of this and the fact that you're using, as I mentioned
4 earlier, probably just one vendor. So it's basically
5 a paperwork shuffle between you and the manufacturer
6 just to do this. So there's really -- really I can't
7 see any benefit at all.

8 MR. SMITH: Stand by, Ralph.

9 Do you guys have any qualifying -- I mean,
10 clarifying questions for Ralph or anything, or you
11 have what he's talking about?

12 MS. WU: Yes, I mean, we've had that
13 feedback before. And I'll just add that that is I
14 think one of the main reasons why the regulations
15 currently do offer alternative methods for reporting
16 because not every -- because the frequency of
17 transactions differs for every type of licensee. And
18 also some licensees are out in the field and they're
19 not in front of a computer all the time. And so,
20 that's why we still have a fair amount of people who
21 choose to email and fax, and will continue to do so.

22 MR. SMITH: Great.

23 Mia, are there any additional comments on
24 the phone line?

25 OPERATOR: Yes, we do have another comment

1 from Jennifer Opila.

2 Please go ahead and state your
3 organization.

4 MS. OPILA: Hi, this is Jennifer Opila
5 with the State of Colorado Radiation Program.

6 So just piggybacking on the last couple of
7 comments, I believe that it is likely that a lot of
8 these new Category 3 users would use the manual system
9 such as faxing and email and not get credentialed, as
10 has been pointed out by a couple of other commenters.

11 And so I think part of NRC's analysis in
12 this needs to be the added impact on the system, both
13 to NRC and Agreement States, for more people to be
14 doing those manual verifications instead of using the
15 online system, because that does take more time for
16 both the NRC staff or their contractor and the
17 Agreement State staff.

18 MS. WU: Yes, that's a good point. And as
19 you'll see later, some of the questions that we have
20 specifically targeted for Agreement States do ask that
21 question. So we recognize that there would be an
22 added burden or an added -- there would be people
23 needed likely.

24 I did want to add some clarification to my
25 response to Ralph. So for the credentialing process

1 there isn't a limit as to how many people can get
2 credentialed for a specific licensee. As part of the
3 credentialing process we do -- like I mentioned
4 before, we do do an employment verification and a
5 need-to-know step. And that involves reaching out to
6 the radiation safety officer for that specific
7 license.

8 So part of the benefits to getting --
9 doing credentialing and having multiple people getting
10 credentialed for a specific license is that if one
11 person is out, another person could do the reporting.

12 MS. ATTACK: This is Sabrina Attack. I'll
13 take this opportunity to add another follow-up. We'd
14 had a question earlier about the methodology the NRC
15 would be using to perform any type of analyses of the
16 safety or security benefit and the cost.

17 There is a NUREG that's available. It's
18 publicly accessible. If anyone's interested in
19 looking at that, it's NUREG Brochure 0058. The latest
20 revision is Rev. 4. It's titled, "Regulatory Analysis
21 Guidelines of the U.S. NRC," and it goes through some
22 content in terms of defining what the values and
23 impacts would be and the way the NRC would perform
24 this analysis. It talks about enhancements to health
25 and safety, protection of the environment.

1 And then also some of the things that
2 we're hearing with respect to the costs, the costs to
3 licensees and Agreement States and administering
4 changes to the proposed -- the new proposed regulatory
5 action. And then are there beneficial or adverse
6 effects to the economy or private markets? Those are
7 some of the considerations we would be taking into
8 account, but there are lot more details in the NUREG,
9 if anyone is interested in reviewing that. And again,
10 it's NUREG Brochure 0058 and the latest revision is 4.

11 MR. SMITH: Great. Thank you.

12 Any additional comments here in the room?

13 (No audible response.)

14 MR. SMITH: Any additional comments on the
15 line, Mia?

16 OPERATOR: Yes, we do have another
17 question from Jennifer Opila.

18 Go ahead.

19 MS. OPILA: Hi again. This is Jennifer
20 Opila with the State of Colorado Radiation Program.

21 So my question, Irene -- you may not know
22 the answer to this, but if we're talking about medical
23 physicists who are doing -- who are interacting with
24 the system because of HDR-type applications, a medical
25 physicist will work for a variety of licensees, but

1 may not have like their own license. Radioactive
2 materials license that is.

3 So if they were to be credentialed, do
4 they have to be credentialed with each licensee that
5 they work for or could they just get one credential?

6 MS. WU: Yes, so they would go through the
7 credentialing process once and be issued a token to
8 get access to the system. But for every license that
9 they wanted to get access to we would do an employment
10 verification and a need-to-know with the radiation
11 safety officer before granting access to that person,
12 for that licensee.

13 But when that -- when they're issued a
14 token, that token, they can use the same token to
15 access multiple licenses in either system once they're
16 granted access.

17 MS. OPILA: Okay. So I would submit then
18 that that -- as Ralph kind of indicated, one hospital
19 can have a number of medical physicists that work
20 under them at any time, so that would be again an
21 increased burden onto the licensee of having to do
22 that employment verification every time. Thank you.

23 MR. SMITH: Thank you.

24 Gina?

25 MS. DAVIS: Yes, we have two questions in

1 the queue. The first one is from Lowre Young. Is the
2 LVS and NSTS the same log-on?

3 MS. WU: Wait, say that again? I'm sorry.

4 MS. DAVIS: Is the LVS and the NSTS the
5 same log-in?

6 MS. WU: Okay. So there are different
7 links to log into the system, but you will use the
8 same token, which is essentially you would use a user
9 name and a password. And then there's the token which
10 has a six-digit random number. And so you can use the
11 same token if granted access to log into both systems,
12 but different web sites.

13 MS. DAVIS: Different web sites and
14 different log-in information separate from the token?

15 MS. WU: No, you can use the same log-in
16 information.

17 MS. DAVIS: Okay. And then second
18 question is do you have to do the license verification
19 each time you submit, from Cindy Tomlinson.

20 MS. WU: So prior to any transfer
21 currently for a Category 1 and 2 quantity of
22 radioactive material licensees have to do license
23 verification per the Part 37. And then following that
24 they would do -- after the transaction is completed by
25 close of business the following day is when they would

1 the report to the National Source Tracking System.

2 MS. DAVIS: Okay. Thank you.

3 MR. SMITH: Mia, any additional comments
4 on the telephone line?

5 OPERATOR: Yes, we have another comment
6 from Ralph Lieto.

7 Go ahead, sir.

8 MR. LIETO: Two quick questions: One, is
9 there a cost associated with the credentialing
10 process?

11 And two, the token you're talking about,
12 I take it this is some type of physical device that
13 generates a -- some type of alphanumeric that has to
14 be put in?

15 MS. WU: Okay. So, yes, there is no cost
16 associated with the -- obtaining a token. And the --
17 there are currently three types of tokens, two of
18 which are hard tokens. One is a like a security card
19 that has a button that you would push and it would
20 generate a six-digit random number. The other option
21 is a key fob-type of thing. Looks like a -- almost
22 like a USB size, again with a button to push to get a
23 six-digit random number. And then the third option is
24 a mobile token. So you would open a smartphone app
25 and then again push a button. It would generate the

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1 random number.

2 MR. LIETO: Okay. Thank you.

3 MS. WU: So the only cost is really time
4 to go through the credentialing process, but nothing
5 monetary.

6 MR. WHITE: A question about the tokens is
7 we still using all three of them or are we
8 transitioning to one type over another?

9 MS. WU: No, we currently offer all three
10 types.

11 MR. SMITH: Okay. We're going to move on
12 to question No. 2. Approximately how many transfer
13 involving Category 3 quantities of radioactive
14 material do you do monthly? What percentage involves
15 transfer directly to or from a manufacturer?

16 Are there any comments here in the room?

17 (No audible response.)

18 MR. SMITH: Mia, do we have any comments
19 on the telephone line?

20 OPERATOR: No comments from the phones.

21 MR. SMITH: Gina, any comments on the
22 webinar?

23 MS. DAVIS: No comments on the webinar.

24 MR. SMITH: Any clarifying comments on why
25 you want to know how many transfers involving Category

1 3?

2 MR. WHITE: Well, getting that information
3 obviously would help with the cost benefit analysis,
4 obviously. I made some general comments earlier about
5 HDRs and about how well-logging -- how we think it
6 would go, but one of the reasons for asking this
7 question is to kind of verify that information and
8 also get a little bit of specifics on quantity
9 involved to the licensee. And I think some people
10 have addressed some of these issues already.

11 MR. SMITH: Right.

12 MR. WHITE: So any additional information
13 people would have would be helpful.

14 MR. SMITH: Right.

15 Mia, any comments on the telephone line?

16 OPERATOR: No comments from the phones.

17 MR. SMITH: Gina, any comments on the
18 webinar?

19 MS. DAVIS: Just one clarification for the
20 last question I'd asked, do you have to do the license
21 verification each time you submit? You had said that
22 you use LVS prior to shipping and upon receiving a
23 source. Is that what you had answered? Just so I get
24 the answer right.

25 MS. WU: The license verification is

1 before the transfer. So what I was talking about was
2 that the -- upon receipt. Then the -- if the shipment
3 involves a Category 1 or 2 nationally-tracked source,
4 then they would be subject to reporting to the
5 National Source Tracking System, and that would have
6 to be done by close of business the following day,
7 after the receipt.

8 MS. DAVIS: Okay. Thanks.

9 MR. SMITH: Any comments here in the room?

10 (No audible response.)

11 MR. SMITH: Mia, any additional comments
12 on the telephone line?

13 OPERATOR: No comments on the phone.

14 MR. SMITH: Gina, any comments?

15 MS. DAVIS: No additional comments.

16 MR. SMITH: Okay. So we'll move to
17 question No. 3. And as a reminder the meeting is
18 being transcribed. We ask that you do not provide any
19 non-public information or classified safeguards
20 information, or site-specific information to your
21 facility.

22 Question No. 3: Should a license
23 verification be required when transferring to an
24 established manufacturer?

25 Any comments here in the room?

1 (No audible response.)

2 MR. SMITH: Mia, any comments on the
3 telephone line?

4 OPERATOR: No comments from the phones.

5 MR. SMITH: Gina, any comments on the web?

6 MS. DAVIS: No comments on the web.

7 MR. SMITH: Any clarifying remarks?

8 MR. WHITE: Again, the question was asked
9 to provide a possible alternative option to doing the
10 tokens in LVS. Again, if we have a credible
11 manufacturer, well-established, when the reasons for
12 doing the transfers and doing through LVS, as you
13 know, is to ensure that it's done between entities
14 that are credible. So in this case if we already
15 established that, this would possibly a way to reduce
16 the burden. So any -- again, considering a response
17 to this question or insight on that, that's the kind
18 of things we're looking for. Again, it's a way to
19 possibly reduce burden if we do go ahead and require
20 CAT 3 for LVS.

21 MR. SMITH: Great. Thank you.

22 Gina, any comments on the web?

23 MS. DAVIS: No additional comments.

24 MR. SMITH: Comments in the room?

25 MR. BACKHAUS: Roland Backhaus at

1 Pillsbury. Why does this question specifically call
2 out manufacturers and not other well-known entities
3 which could be, I don't know, well-known entities?

4 MR. WHITE: I think the impetus behind
5 this question because manufacturers probably do most
6 of the -- obviously do most of the handling. So they
7 would have the greatest impact. So again, if we --
8 that's why we kind of chose to do that questions.

9 Again, we've heard from other commenters
10 that they may not be doing these transfers very often.
11 Mr. Lieto mentioned that they only -- at the hospital
12 they may only have a couple HDR units. Well-loggers
13 may only have a couple sources. I mean, again,
14 certain groups of people. So the idea for asking this
15 particular question toward manufacturers is simply
16 because they would handle a larger volume.

17 MR. MILLER: I think it falls back to the
18 one comment that I had earlier about the no timeliness
19 requirement for LVS. The regulation just says prior
20 to doing a transfer perform license verification. And
21 the gentleman on the phone with the hospital saying,
22 well, we do this quarterly. Well, he knows with an
23 LVS you do it one time and it might be good for six
24 months, then, okay, I know this guy exists. Whether
25 it's a manufacturer or whether it's a manufacturer

1 shipping to a routine customer, you do an LVS and it's
2 good for a certain period of time.

3 MR. SMITH: Please state your name for the
4 transcript.

5 MR. MILLER: John Miller, International
6 Isotopes.

7 MR. SMITH: All right. Great. Thanks.

8 MS. ATACK: It's Sabrina Atack. Just one
9 thing for awareness to keep in mind with respect to
10 periodicity of the verification process. NSTS, as
11 Irene said, acts as a go-between between the Web-Based
12 Licensing System and the National Source Tracking
13 System. So when that license verification is
14 performed, it's pulling data from the license with
15 respect to the possession limit for the licensee and
16 the current inventory for the licensee and doing a
17 comparison.

18 So there would be probably a decrease in
19 effectiveness of the license verification process if
20 we didn't do that each time a transfer was taking
21 place because it wouldn't account for the updated
22 inventory from any receipts that had occurred since
23 the last verification, if that's useful information.

24 MR. ASHKEBOUSSI: Nima Ashkeboussi, NEI.
25 So for No. 3 I'd also suggest an addition to

1 established manufacturers that you also reduce the
2 burden for Part 50 licensees, power reactors, and fuel
3 cycle facilities licensed under Part 70 as well.
4 They're very well-known entities.

5 MR. WHITE: Thanks for the comment.

6 MR. SMITH: Any additional questions here
7 or comments here in the room?

8 (No audible response.)

9 MR. SMITH: Gina, any comments on the web?

10 MS. DAVIS: No comments on the web.

11 MR. SMITH: Mia, any comments on the
12 telephone line?

13 OPERATOR: No comments on the phone.

14 MR. SMITH: Question No. 4: Do you have
15 online access to LVS? If so, have you experienced any
16 issues with LVS? Do you have any recommendations on
17 how to improve LVS?

18 Any comments on the phone, Mia?

19 OPERATOR: No comments.

20 MR. SMITH: Any comments here in the room?

21 (No audible response.)

22 MR. SMITH: Any comments on the web?

23 MS. DAVIS: No comments on the web.

24 MR. MILLER: So, yes; John Miller,
25 International Isotopes, I do have online access to

1 LVS. I use it rather routinely. A couple of issues
2 that I do see with it sometimes, but there's -- you
3 attempt to do a verification and you get an error
4 message essentially that says contact the regulator.
5 But there's really no reason why you got that message.
6 Did I type in a date wrong? What's the deal?

7 With your comment with the activity and
8 the possession limit, when I go to LVS, I'm not typing
9 in how much material I'm transferring somebody.
10 That's done in NSTS. So it wouldn't -- I don't see
11 how it would cut me off saying, no, I can't verify
12 this license because the possession limit is exceeded.
13 But it would helpful if there was more to that error
14 message than just contact the regulator. That way it
15 -- it could have been a typo what I did.

16 MS. WU: Yes, and the regulator does have
17 a -- will be -- when -- they will be able to see what
18 the issue is, whether it is that the licensee is above
19 their -- appears to be above their possession limit
20 because of their inventory in NSTS. Maybe a
21 transaction hasn't been executed even though in
22 reality it's already happened.

23 In some cases if the Agreement State
24 hasn't provided us the most up-to-date amendment for
25 a license, that could be posing the problem. You may

1 be checking for an amendment that is just not in the
2 system yet, and that's part of it. But I understand
3 that -- your comment and wanting more understanding of
4 why the error occurred.

5 MR. SMITH: Nima?

6 MR. ASHKEBOUSSI: Nima Ashkeboussi, NEI.
7 So along those same lines, Irene, do you have an
8 estimate for how many -- the percentage of error
9 message, contact the regulator, pop-ups come up when
10 licensees try to use LVS?

11 MS. WU: That I don't know, I'm sorry.

12 MR. ASHKEBOUSSI: A guess?

13 MS. WU: Not even that. I apologize.

14 MR. SMITH: Any concerns there with the
15 Category, besides the obvious increase in --

16 MR. ASHKEBOUSSI: Well, I mean, if there's
17 a significant number of error messages, contact the
18 regulator, that could produce a significant burden to
19 Agreement States and the NRC.

20 MR. SMITH: Great. Thank you.

21 Mia, are there any additional comments on
22 line?

23 OPERATOR: No comments on the phone.

24 MR. SMITH: Gina, any additional comments
25 on the web?

1 MS. DAVIS: No additional comments on the
2 web.

3 MR. SMITH: Again, if you guys have any
4 additional comments on questions that we've covered in
5 the past, you can bring them up again and we will
6 entertain those questions.

7 As a reminder, you can submit your
8 questions or comments at a later date via the web or
9 mail to the NRC.

10 Okay. We'll go to the next question. So
11 the next set of questions are specifically for
12 licensees related to NSTS.

13 So Question 1: It currently takes
14 approximately one month to get credentialed to access
15 NSTS. If you currently do not have online access to
16 NSTS and NRC-established new requirements for tracking
17 of Category 3 sources in the NSTS, would you be
18 inclined to sign up for online access or would you use
19 alternative methods for NSTS reporting such as
20 emailing or faxing the NRC Form 748, National Source
21 Tracking Transaction Report, to the National Source
22 Tracking System help desk?

23 Do we have any comments on the web?

24 MS. DAVIS: No comments on the web.

25 MR. SMITH: Okay. Do we have any comments

1 here in the room?

2 (No audible response.)

3 MR. SMITH: Mia, do we have any comments
4 on the line?

5 OPERATOR: No comments from the phone.

6 MR. SMITH: Okay. Thank you.

7 OPERATOR: I'm sorry, we do just have one
8 that queued up. We have one from Ralph Lieto.

9 Go ahead, sir.

10 MR. LIETO: I have a CAT 1 source and it's
11 fixed. I do not use NSTS. I use the emailing of the
12 form to NSTS. I have had some issues in the past
13 where I have not gotten response and had to follow up
14 with emails. The contact is -- the individuals there
15 are very, very cordial and everything like that, but
16 this is not something that takes -- that occurs within
17 hours or same day or a couple of days. So I can see
18 some real issues with this with going to sources that
19 are infrequently replaced or transferred and places
20 not getting credentialed for the NSTS.

21 And I guess I have a question for NRC.

22 MR. SMITH: Well, before you go on -- I'm
23 sorry by interrupting you. Do you have any
24 recommendations on improving that process at all?

25 MR. LIETO: Not really.

1 MR. SMITH: Okay. Great. Sorry about --

2 MR. LIETO: Not really, because I mean I'm
3 just waiting for a response that they got it and
4 everything was satisfactory. But that's not something
5 that comes same day, or 24 hours.

6 The credentialing process for NSTS
7 obviously is probably separate from the LVS, so if you
8 were something that was going to do both of these for
9 the first time, are you talking basically two months
10 or is it one month for both?

11 MS. WU: Yes, thank you for the question.
12 So it is the same credentialing process for both NSTS
13 and LVS, so a person coming in who wanted access to
14 both could log into the enrollment module and fill out
15 the application and select both systems to get access
16 for a specific license or for specific licenses. And
17 then it would be the same credentialing process that
18 that person would go through.

19 We also have cases where someone
20 previously had just NSTS access and they'll come back
21 later and say, oh, now I need LVS access. And they
22 don't have to go through the full credentialing
23 process. They can go -- we can just do the employment
24 verification and need-to-know quickly with the
25 radiation safety officer and grant that access with

1 the same token.

2 MR. LIETO: Thank you.

3 MS. WU: Yes.

4 MR. SMITH: Thank you.

5 Mia, any additional comments on the
6 telephone line?

7 OPERATOR: No additional comments from the
8 phone.

9 MR. SMITH: Thank you.

10 Gina, any additional comments from the
11 web?

12 MS. DAVIS: Yes, there's one additional
13 question from Cindy Tomlinson. How long is the online
14 credential valid?

15 MS. WU: That's a good question. Right
16 now I'm not aware of a time frame, because I
17 personally have not renewed mine, but I will double-
18 check. I believe there probably is a limitation for
19 several years, but given that we just rolled out the
20 one-time token within the last several years it's
21 probably that no one has come up for their renewal
22 yet. But that's something I'll look to see if we have
23 a -- we may have that as one of our FAQs on our public
24 web site. I'll try to find more information and
25 update it.

1 MS. DAVIS: Great. Thank you.

2 MS. WU: Right. Yes. So there is the
3 annual training that is done when you log into the web
4 site, when you log into NSTS or LVS. Rules of
5 behavior. Things like security awareness. I just
6 need to look and find out more about credential
7 renewal.

8 MR. SMITH: Great.

9 Mia, any additional comments on the line?

10 OPERATOR: No comments on the phone.

11 MR. SMITH: Gina, any additional comments
12 on the web?

13 MS. DAVIS: No additional comments.

14 MR. SMITH: Any additional comments here
15 in the room?

16 (No audible response.)

17 MR. SMITH: No? Okay. Next set of
18 questions?

19 (No audible response.)

20 MR. SMITH: Okay. Great.

21 Okay. So question 2: Do you have online
22 access to NSTS? If so, have you experienced any
23 issues with NSTS? Do you have any recommendations on
24 how to improve NSTS?

25 MR. WHITE: Yes, this is Duncan White. I

1 think Ralph spoke a little bit to his experience.

2 MR. SMITH: Okay.

3 MR. WHITE: Does anyone else want to
4 comment?

5 (No audible response.)

6 MR. WHITE: Okay.

7 MR. SMITH: Okay.

8 MR. WHITE: Okay. Good.

9 MR. SMITH: So we're on track.

10 So the next set of questions are
11 specifically for Agreement States related to license
12 verification.

13 So question 1: Approximately how many
14 licenses do you authorize for Category 1, 2 and 3
15 quantities of radioactive material?

16 Any comments here in the room?

17 (No audible response.)

18 MR. SMITH: Are there any comments on the
19 web?

20 MS. DAVIS: No comments on the web.

21 MR. SMITH: Mia, are there any comments on
22 the telephone line?

23 OPERATOR: Yes, we do have a comment from
24 Jennifer Opila.

25 Go ahead.

1 MR. SMITH: Great. Thanks.

2 MS. OPILA: Hi, this is Jennifer Opila
3 with the State of Colorado. In asking this question
4 do you want to know individual sources that are
5 Category 1, 2 and 3 quantities, or do you want to know
6 aggregate quantities?

7 MR. WHITE: Certainly -- Jen, this is
8 Duncan White. Certainly we want to know the number of
9 licensees. And if you have -- I think it's more
10 important because we're looking for individual
11 transactions, because that's how we normally work
12 these -- work the systems. I think the number of
13 sources would be helpful.

14 But in the aggregate quantities, if you
15 see something that would be insightful on that -- for
16 example, having types of licensees that may aggregate
17 up to -- that maybe have up to Category 3 quantities
18 that would have to be -- if we go to a system where we
19 would include Category 3 with license verification,
20 that would be helpful. Those types of insights would
21 be very helpful.

22 But I think our intent here was to ask
23 questions about number of licensees and number of
24 sources. But certainly we welcome any other insights
25 you have.

1 MS. OPILA: Thank you, Duncan. May I ask
2 a follow-up question?

3 MR. WHITE: Go ahead.

4 MR. SMITH: Absolutely.

5 MS. OPILA: Actually it's more of a
6 comment. As you guys know, there is a difference
7 between authorization and actual possession. And so
8 I think that while we as Agreement States can answer
9 the question what is authorized, I think it would be
10 much more difficult for us to answer the question for
11 the number of sources out there that are in Category
12 3 quantities, because that -- most of us don't
13 maintain that type -- that level of detail of
14 inventory of our actual licensees.

15 MR. WHITE: Understand and appreciate the
16 difference, yes. So if do provide the information,
17 you just specify this is what they're authorized.

18 MR. SMITH: Thank you, Jennifer.

19 Any additional comments here in the room?

20 (No audible response.)

21 MR. SMITH: Any comments on the web, Gina?

22 MS. DAVIS: No additional comments on the
23 web.

24 MR. SMITH: Mia, any additional comments
25 on the telephone line?

1 OPERATOR: No additional comments from the
2 phones.

3 MR. SMITH: Okay. Thank you.

4 So question 2: If license verification
5 through the LVS or the transferee's license issuing
6 authority is required for transfer involving Category
7 3 quantities of radioactive material, would you
8 encourage the use of LVS among the licensees or plan
9 for additional burden imposed by the manual license
10 verification process?

11 Any comments here in the room?

12 (No audible response.)

13 MR. SMITH: No? Gina, any comments on the
14 web?

15 MS. DAVIS: No comments on the web.

16 MR. SMITH: Mia, any comments on the
17 telephone line?

18 OPERATOR: No comments from the phone.

19 MR. SMITH: Would you all like to provide
20 any kind of clarification to this question?

21 MR. WHITE: When -- if you do provide a
22 written response to this question later on, one thing
23 that -- again, from -- getting back to doing our cost
24 benefit analysis, one thing that would help to provide
25 input, if you have a sense right now how much you

1 would -- a particular state would do for CAT 1 and 2
2 and if you can extrapolate to maybe how that would
3 impact from CAT 3.

4 Say if you have the double -- and I'll
5 just this as an example. If you have -- your CAT 3
6 licensees is double the count of CAT 1 and 2
7 licensees, would you expect to -- for that workload
8 for manual verification to be doubled? Again, any
9 insights like that to quantify would be very helpful
10 and appreciated.

11 MR. SMITH: Great. Thank you.

12 Any additional comments on the web?

13 MS. DAVIS: We do have one additional
14 question from Jack Tway. Why aren't LVS and NSTS
15 combined into one system?

16 MS. WU: Well, NSTS was rolled out back in
17 late 2008 and licensees began reporting in 2009, so I
18 think the thought was -- and LVS came later. And so,
19 the thought was more to have it be the go-between
20 between the National Source Tracking System and web-
21 based licensing.

22 MR. SMITH: Okay. Thank you.

23 MS. DAVIS: Thank you.

24 MR. SMITH: Any additional comments here
25 in the room?

1 (No audible response.)

2 MR. SMITH: Mia, any additional comments
3 on the telephone line?

4 OPERATOR: Yes, we do have another comment
5 from Jennifer Opila.

6 Go ahead.

7 MR. SMITH: Great. Thank you.

8 MS. OPILA: Duncan, following up to your
9 suggestion, is it possible for you guys to give us an
10 idea of how many of -- as being Agreement State an
11 idea of how many of our licensees are using the LVS as
12 opposed to doing the manual license verification
13 process now so that then we could try to extrapolate
14 that?

15 MS. WU: Yes, we do have the ability to
16 see -- we were able -- we do have reports that show us
17 what licensees have online access to these various
18 systems. And then we do get reports on the
19 verifications that happen daily. So we could probably
20 do some sort of -- get some of that information and
21 provide it to the Agreement States.

22 MS. OPILA: Great. Maybe we could just
23 have the states request it individually to you, or
24 would you prefer sending it all out to everybody, or
25 how you want to do that?

1 MS. WU: Let me give it some thought and
2 get back to you.

3 MS. OPILA: That sounds great. Thank you.

4 MR. SMITH: Any additional comments on the
5 web?

6 MS. DAVIS: No additional comments on the
7 web.

8 MR. SMITH: Any additional comments here
9 in the room?

10 (No audible response.)

11 MR. SMITH: Mia, any additional comments
12 on the telephone line?

13 OPERATOR: Yes, we do have one. One
14 moment.

15 MR. SMITH: Great. Thank you.

16 OPERATOR: We have a question from Steve
17 Harrison.

18 Go ahead.

19 MR. HARRISON: Actually a comment for
20 discussion purposes since we're talking about
21 quantity. We have 37 Category 1 and 2 versus 27
22 Category 3 licensees, so we'd actually look at almost
23 doubling the manual burden if we're to go to that
24 route. And I just wanted to provide that information
25 since we were specifically asked. Thank you.

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1 MR. SMITH: Do you mind repeating your
2 name and organization or licensee?

3 MR. HARRISON: Yes, Steve Harrison,
4 Virginia Office of Radiological Health.

5 MR. SMITH: Great. Thank you.

6 MR. HARRISON: Sure.

7 MR. SMITH: Any comments? Any comments
8 here in the room?

9 (No audible response.)

10 MR. SMITH: Any comments on the webinar?

11 MS. DAVIS: No further comments on the
12 webinar.

13 MR. SMITH: Mia, any additional comments
14 on the telephone line?

15 OPERATOR: No additional comments from the
16 phones.

17 MR. SMITH: Okay. Great. We'll go to
18 question 3.

19 If license verification through the LVS or
20 the transferee's license issuing authority is required
21 for transfers involving Category 3 quantities of
22 radioactive material, would you consider adopting web-
23 based licensing, WBL, to ensure that the most up-to-
24 date licenses are available for license verification
25 using the LVS, or voluntarily provide your Category 3

1 license similar to what some Agreement States do now
2 for Category 1 and 2 licenses to be included in WBL,
3 or would you do neither and prefer licensees to use
4 the manual license verification process?

5 I'll ask you guys, you have any
6 clarification on this? It's a lot of information,
7 so --

8 MR. WHITE: This is Duncan White. I think
9 the -- we've been discussing -- the NRC has been
10 trying to encourage the Agreement States to use WBL
11 more and more, and really what's behind this question
12 is if we went to Category 3, would this push your
13 closer or have you adopt -- go to WBL, use WBL?

14 MR. SMITH: Right. Right.

15 MR. WHITE: There are states already that
16 do use WBL already, so obviously they would I assume
17 continue to use it.

18 MR. SMITH: Okay. Any comments here in
19 the room?

20 (No audible response.)

21 MR. SMITH: Any comments on the web?

22 MS. DAVIS: No comments on the web.

23 MR. SMITH: Mia, any comments on the
24 telephone line?

25 OPERATOR: No comments from the phone.

1 MR. SMITH: Okay. As a reminder again,
2 this meeting is being transcribed. We ask that you do
3 not provide any non-public information, classified
4 information, safeguards information or site-specific
5 information during your questions or comments.

6 If you would like to add comments to a
7 question that we've already passed, that's no problem.
8 We still welcome your comments.

9 So question No. 4: What would the impact
10 in time and resources be on your program to handle the
11 additional regulatory oversight needed for Category 3
12 licensees if license verification through the LVS or
13 the transferee's license issuing authority was
14 required for transfers involving Category 3 quantities
15 of radioactive material?

16 Any comments here in the room?

17 MR. ASHKEBOUSSI: Nima Ashkeboussi, NEI.
18 So sorry to just jump back to the last question. So
19 if I read this right, it is not NRC's intent to
20 require all Agreement States to submit their CAT 3
21 licenses into WBL?

22 MS. WU: Currently they're not --
23 currently we're asking for Agreement States to provide
24 us Category 1 and 2.

25 MR. ASHKEBOUSSI: So if NRC went to

1 tracking CAT 3 and requiring LVS for CAT 3, would NRC
2 require Agreement States to submit CAT 3 licenses for
3 WBL?

4 MS. WU: Right, we would be asking -- if
5 that were the case, we would be asking them to provide
6 the Category 3 licenses to be included in WBL. That
7 would be the only way that the License Verification
8 System would work properly.

9 MR. ASHKEBOUSSI: Right. Yes, you need
10 the licenses in WBL --

11 MS. WU: Right.

12 MR. ASHKEBOUSSI: -- for it to work,
13 otherwise everyone's going to be contacting the
14 regulator. So, okay.

15 MS. WU: Right.

16 MR. ASHKEBOUSSI: Thanks for clarifying.

17 MS. ATTACK: Yes, and one additional
18 comment. Sabrina Attack with the NRC. Currently
19 Agreement States voluntarily provide CAT 1 and 2
20 licenses, so we don't formally ask that they do that.
21 It's something that Agreement States do to facilitate
22 license verification.

23 The alternative would be that the burden
24 would be on the license issuing authority; i.e., the
25 state to perform that verification instead of using

1 the LVS that's hosted by the NRC.

2 So three options essentially: States can
3 use WBL as their license system and then the licenses
4 are captured within WBL. They can provide the
5 licenses to the NRC and we will use our contract staff
6 to manually input the licenses such that they're
7 available for the function of license verification.
8 Or the states can take on that burden of actually
9 performing the manual verification process themselves
10 and hold the licenses in their possession.

11 MR. ASHKEBOUSSI: Okay. So just so I'm
12 making sure I understand this. You'll be requesting
13 that states submit the CAT 3 licenses, but they're not
14 mandated to do so?

15 MS. ATACK: Right, it's an option. If we
16 follow --

17 MR. ASHKEBOUSSI: Would be an option?

18 MS. ATACK: -- the same process that's
19 been implemented for CAT 1 and 2, we would encourage
20 the states to provide the licenses to facilitate the
21 license verification process, but the alternative is
22 that the states could act as the verification entity
23 in lieu of using LVS.

24 MR. SMITH: Thank you. Any additional
25 comments here in the room?

1 (No audible response.)

2 MR. SMITH: Any additional comments on the
3 web?

4 MS. DAVIS: No further comments on the
5 web.

6 MR. SMITH: Mia, any additional comments
7 on the telephone line?

8 OPERATOR: Yes, we do have a comment from
9 Phillip Scott.

10 Go ahead.

11 MR. SCOTT: Hi, this is Phillip Scott,
12 State of California, though I'm only asking a
13 clarifying question or consideration on question 3.

14 Is it NRC's intent to require the WBL to
15 be adopted by the state? And it just sounded like the
16 discussion that it -- you would not require us to do
17 that since we have our own state processes to adopt IT
18 information systems and things like that. So is that
19 NRC's -- so am I correct in assuming that it's really
20 an alternative, though you're encouraging the states
21 to adopt WBL but not requiring us to adopt it?

22 MS. WU: Yes, that is correct. We are not
23 requiring it, however, we are encouraging states to
24 use -- to adopt web-based licensing as their licensing
25 system. And we have several states on board now and

1 we're working with some additional states to get them
2 on board. But you're right, we are not requiring it.

3 MR. SCOTT: Perfect. Thank you.

4 MS. ATACK: Yes, and one thing we're
5 asking in the question is if we were to proceed with
6 license verification requirements for CAT 3 licensees,
7 if that would alter the approach that the states are
8 using with respect to their use of WBL. So would it
9 provide an impetus to encourage states to about WBL,
10 or would the states plan to provide CAT 3 licenses
11 voluntarily, or would they take on the burden of the
12 verification process themselves? So that's really the
13 intent of the question there.

14 MR. SMITH: Okay. Any additional
15 questions or comments here in the room?

16 (No audible response.)

17 MR. SMITH: Are there any additional
18 comments or questions on the web?

19 MS. DAVIS: No additional questions on the
20 web.

21 MR. SMITH: Mia, any additional comments
22 or questions on the telephone line?

23 OPERATOR: No additional comments from the
24 phone.

25 MR. SMITH: Great. Thank you.

1 Well, we'll go over question 4 again.
2 What would the impact in time and resources be on your
3 program to handle the additional regulatory oversight
4 needed for Category 3 licensees if license
5 verification through the LVS or transferee's license
6 issuing authority was required for transfers involving
7 Category 3 quantities of radioactive material?

8 Any comments here in the room?

9 (No audible response.)

10 MR. SMITH: Any comments on the web?

11 MS. DAVIS: No comments on the web.

12 MR. SMITH: Any comments on the telephone
13 line, Mia?

14 OPERATOR: No comments from the phones.

15 MR. SMITH: Okay. We're going to move
16 onto the next question.

17 Okay. The next question is specifically
18 for Agreement States related to the NSTS. The NRC
19 currently administers the annual inventory
20 reconciliation process on behalf of the Agreement
21 States. This process involved providing hard copy
22 inventories to every licensee that possesses
23 nationally tracked sources at the end of the year,
24 processing corrections to inventories and processing
25 confirmations of completion of the reconciliation into

1 the NSTS. The process involved a significant amount
2 of staff time and resources from November to February.

3 If the Agreement States were to adopt
4 administration of the annual inventory reconciliation
5 process and if Category 3 sources were included in the
6 NSTS, what would the additional regulatory burden be
7 on the Agreement State to perform the annual inventory
8 reconciliation for Category 1, 2 and 3 sources?

9 Jennifer, if you can hear us, do you have
10 any comment on that?

11 (No audible response.)

12 MR. SMITH: Are there any comments here in
13 the room?

14 (No audible response.)

15 MR. SMITH: Any comments on the web?

16 MS. DAVIS: No comments on the web.

17 MR. SMITH: Okay. If there are any other
18 Agreement State licensees or Agreement State
19 regulators, we'd like to hear some comments, if you
20 have some.

21 MS. FAIROBENT: Hi, Lynne Fairobent,
22 member of the public. Back to the 5,500 number of
23 additional licensees for CAT 3. What percent are NRC
24 and what percent are in the Agreement States, do you
25 know? Because question also could be flipped to what

1 is the increased burden for NRC on your licensees? Do
2 you know what the -- I mean, I could do a rough
3 estimate based on the average percentage, but it may
4 not be correct.

5 MR. WHITE: I'm looking -- I'm not sure,
6 but again --

7 MS. FAIROBENT: No, basically how many NRC
8 Category 3 licenses --

9 MR. WHITE: I know.

10 MS. FAIROBENT: -- do you have?

11 MR. WHITE: Yes, I mean --

12 MS. FAIROBENT: That would be --

13 MR. WHITE: Yes, roughly --

14 (Simultaneous speaking.)

15 MS. FAIROBENT: -- from CAT 1 and 2?

16 MR. WHITE: Yes, roughly about 85 percent
17 of --

18 MR. QUINONES: Yes, for -- this is Ernesto
19 Quinones. I think it was like around 600.

20 MR. WHITE: Yes, so that would be about --
21 it's about five to one or six to one Agreement State
22 licensees for NRC licensees.

23 MS. FAIROBENT: So roughly about 600 NRC
24 licensees is just -- just to clarify your point on the
25 number?

1 MR. WHITE: Yes.

2 MR. QUINONES: Category 3, yes.

3 MS. FAIROBENT: Thanks.

4 MR. SMITH: Mia, any additional comments
5 on the telephone line?

6 OPERATOR: Yes, we do have a few comments.
7 Our first one comes from Phillip Scott.

8 Go ahead.

9 MR. SCOTT: Phillip Scott, State of
10 California. Question: On the -- is NRC really
11 considering having -- requiring the Agreement States
12 to do the annual inventory? If so, we'll still have
13 to do an evaluation as to what that cost is going to
14 be and -- for time and resources. So my comment is
15 really is NRC considering requiring Agreement States
16 to perform the annual inventory for their state?

17 And also, similar to what Colorado had
18 mentioned, is there a way for us to evaluate those --
19 that time and resource data? Is NRC able to provide
20 us data on how many of our licensees are in NSTS or
21 the LVS, or use that LVS and all that information to
22 help us in our analysis?

23 MS. WU: Yes, so this is Irene Wu. In
24 previous years we've -- I know states have been very
25 helpful along the way as we get closer to the end of

1 January and we have licensees that haven't completed
2 their reconciliation process. A lot of times I
3 believe that entails -- we provided a list in the past
4 and your folks have then reached out and gotten those
5 remaining licensees into compliance. But I'd be happy
6 to provide some additional information off line of,
7 like I said before, numbers of licensees who -- the
8 licensees in each state that have online access.

9 And then we do get statistics every year
10 of how many of those actually do perform their
11 reconciliations online. There are things -- there are
12 times where corrections can't be made using the online
13 system, and a lot of times then those have to proceed
14 through a more manual process of getting those
15 inventories corrected. So it is not that every person
16 who has online access completes their reconciliation
17 online.

18 MR. SMITH: Thank you. Any additional
19 comments or questions, Phillip?

20 (No audible response.)

21 MR. SMITH: Mia, any additional comments
22 or questions from the telephone line?

23 (No audible response.)

24 MR. SMITH: Any additional -- oh, sorry,
25 Nima.

1 MR. ASHKEBOUSSI: Nima Ashkeboussi, NEI.
2 So I guess looking at this from a big picture, I'd
3 question the continued need for annual reconciliation,
4 because my understanding is that the significant
5 amount of work that NRC and the Agreement States go
6 through and the licensees spend on this issue that I'm
7 not sure what kind of safety issue we're trying to
8 address with this when most of the errors, all of the
9 errors that I'm aware of are a result of kind of
10 typographical, administrative types of issues.

11 So I'd question the continued need for
12 reconciliation. And then also in light of having a
13 graded approach I would exclude CAT 3 from the
14 reconciliation if you were to continue with that.

15 MR. SMITH: What would be your reason for
16 excluding Category 3?

17 MR. ASHKEBOUSSI: Just a graded approach
18 in terms of risk significance compared to CAT 1 and
19 CAT 2.

20 MR. SMITH: Great. Thank you.

21 Any additional comments on the web?

22 MS. DAVIS: Yes, we have an additional
23 question from Karen Sheehan. If someone retires how
24 do they notify NSTS or end their credentialing? Do
25 they have to send their token back?

1 MS. WU: That's a good question. We do
2 have a frequently asked question on the NSTS web site
3 that lets folks know that if they do have someone in
4 their -- in the agency or a licensee that retires or
5 leaves to go to another company, that they are asked
6 to contact the NSTS help desk to let us know so we can
7 deactivate them, as well as return the credential, if
8 it's a hard token, to us. And the mailing information
9 is provided on the web site.

10 MS. DAVIS: Thank you.

11 MR. SMITH: Great. Thank you.

12 MS. DAVIS: Oh, we do have an additional
13 question on the web.

14 What authority does NRC have to require
15 the Agreement States to conduct their annual inventory
16 reconciliation? From Jennifer Opila.

17 MR. WHITE: Duncan White. Well, the
18 Category 1 and 2 reconciliation is in the regulations.
19 It's 2207(h), Part 20. What I think I don't -- I'm
20 not sure of is what the history is for why the NRC
21 took that on originally and why not the Agreement
22 States did. I just don't know the history of that.
23 And we'll have to get back to Jennifer on that
24 particular question.

25 MR. SMITH: Great. Thanks.

1 MS. DAVIS: Thank you.

2 MR. SMITH: Any additional questions here
3 in the room?

4 (No audible response.)

5 MR. SMITH: Mia, any additional questions
6 or comments on the telephone line?

7 OPERATOR: Yes, actually we did have
8 Jennifer Opila holding if she had further comments.
9 Go ahead.

10 MR. SMITH: Great. Thank you.

11 MS. OPILA: Sorry, guys. I think I'm
12 having some technical difficulties on this end.

13 Thank you, Duncan. If you could look into
14 that. I was not aware that the actual conducting of
15 the annual reconciliation was an issue of
16 compatibility, but I could be wrong on that.

17 MR. WHITE: The regulations again in Part
18 20 are specific to -- the regulations are towards
19 licensees, obviously, and not Agreement States. So
20 the question I don't know the answer to is why NRC
21 took on the task of doing them all for Agreement and
22 Non-Agreement States. I just don't know the history
23 of that and we'll have to get back to you on that.

24 MS. FAIROBENT: Lynne Fairobent, member of
25 the public. I have a question follow-up, Irene, to

1 your response to a previous question on if someone
2 retires and notification and stuff.

3 How does that work for an individual -- in
4 your case you had mentioned earlier a medical
5 physicist who may provide services to more than one
6 licensee and has one token and one sign-on and one
7 password? So how -- if they stop say consulting to
8 hospital A, but still are consulting to hospitals B
9 and C, how is that handled, or have you given thought
10 to that?

11 MS. WU: Yes, in that case a lot of times
12 we'll hear from the radiation safety officer of the --
13 so say that medical physicist no longer works with a
14 specific licensee. We'll hear from that -- we'll
15 often hear from that RSO letting us know that we
16 should deactivate their access for that specific
17 license. So if they had access to five licenses, once
18 we deactivated, they'd log in. They would notice that
19 that -- they wouldn't be able to select that license
20 from the drop-down and be -- they wouldn't be able to
21 perform any transactions on that licensee's behalf.

22 MS. FAIROBENT: That's what I was
23 assuming, but based on your earlier answer I don't
24 know that that was clearly understood that just
25 because they may have one log-in and one token it

1 doesn't give them carte blanche to every license in
2 the system. So I just was trying to help clarify
3 that.

4 MS. WU: Thank you for that.

5 MR. SMITH: Thank you very much.

6 Any additional comments here in the room?

7 (No audible response.)

8 MR. SMITH: Any comments on the web?

9 MS. DAVIS: No additional comments on the
10 web.

11 MR. SMITH: Mia, any additional comments
12 or questions on the telephone line?

13 OPERATOR: No comments on the phone.

14 OPERATOR: No additional comments from the
15 phones.

16 MR. SMITH: Okay. So we'll proceed to the
17 last set of questions.

18 Again, as a reminder if you have a comment
19 on previous questions, we will entertain those
20 questions. We ask that you do not provide any non-
21 public information, safeguards information, classified
22 information or site-specific information.

23 Okay. The last set of questions. Should
24 physical security requirements for Category 1 and 2
25 quantities of radioactive material be expanded to

1 include Category 3 quantities?

2 MR. MILLER: John Miller, International
3 Isotopes. Well, the answer -- my answer would be no.
4 And the reason is that you have to look at the risk.
5 What is posed with Category 3 versus Category 1 and 2?
6 If you look at the table, there are certainly hazards
7 associated with Category 3 quantities of radioactive
8 materials, but in my opinion I think the safety
9 regulations that are in effect also provide the level
10 of security that you need to control that quantity of
11 material.

12 If I transfer a Category 3 quantity, if I
13 transfer less than a Category 3 quantity, I still have
14 to verify with the person I'm transferring that
15 material to is authorized to received it. If they
16 receive a package and the material is missing, that
17 person is required to make notifications that there is
18 lost radioactive material.

19 So when you start looking at levels of
20 activity, there's a line that I think needs to be
21 crossed before you start including enhanced security
22 requirements. And I don't think Category 3 crosses
23 that line. I think the existing safety regulations,
24 both your NRC regulations, the DoT regulations provide
25 enough level of security to control Category 3

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1 quantities.

2 MR. SMITH: So there are no other
3 graduated approaches that you would identify for
4 security for Category 3 sources?

5 MR. MILLER: If you're looking at what
6 this exercise is trying to solve, I think maybe
7 issuing licenses for licensees that possess a Category
8 3 might be a little bit more robust. License
9 verification is a possibility that might improve
10 security. But one of the questions that isn't on this
11 slide that you have to ask is what are the unintended
12 consequences of that?

13 And one of the consequences I would see if
14 you went to Category 3 in LVS and NSTS is from a --
15 from a source manufacturer's perspective it doesn't do
16 anything for me. I'm already doing it, so adding CAT
17 3 is just another burden on my part. But now when
18 you've got licensees that haven't been pulled into
19 this realm -- right now there are a lot of sources
20 that are shipped as Category 2 and when they become
21 dis-used, they're down below Category 3. They get
22 returned to the manufacturer, no problems.

23 If now that end user has to go through
24 these hoops to make an NSTS transaction, do a license
25 verification, they might hang onto the source until

1 it's below Category 3 now. And so you could have
2 sources collecting in a broom closet waiting for them
3 to decay below a certain threshold so they don't have
4 to go through the burden of doing NSTS or LVS. So
5 that's a consequence that I think needs to be
6 considered.

7 MR. SMITH: Great. Thank you.

8 Any additional comments here in the room?

9 (No audible response.)

10 MR. SMITH: Gina, any additional comments
11 on the web?

12 MS. DAVIS: No additional comments on the
13 web.

14 MR. SMITH: Mia, any additional comments
15 on the telephone line?

16 OPERATOR: No additional comments from the
17 phones.

18 MR. SMITH: Great. Thank you.

19 So we'll move on to question 2. Some
20 Category 3 sources are covered under a general
21 license, 10 CFR 31.5. Would the NRC consider
22 establishing maximum quantities in general license --
23 or should the NRC consider establishing maximum
24 quantities in general license devises thereby
25 reserving authorization to possess Category 1, 2 and

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1 3 quantities of radioactive material to specific
2 licensees?

3 Mia, any comments on the telephone line?

4 OPERATOR: No comments from the phones.

5 MR. SMITH: Any comments here in the room?

6 MR. BACKHAUS: This is Roland Backhaus for
7 Pillsbury. Can you help me understand what it is that
8 that question asks? I have a little difficulty
9 reading that question and really appreciating what it
10 is the NRC is thinking behind it.

11 MR. WHITE: A general license is issued to
12 a customer without getting specific approval from
13 either an NRC or Agreement State. And if we were as
14 -- and it's basically based on how that source is used
15 and the type of device that's going to -- a general
16 license device is designed to be inherently safer than
17 a specifically licensed Category 3 source, because it
18 would be the type of use.

19 So the requirements for a Category 3
20 general licensee, they wouldn't need to go through
21 some of the -- be authorized specifically for their
22 training, for having certain safety equipment in
23 place. They would just have to follow what the
24 manufacturer tells them to do.

25 The other reason for asking this question

1 is that if we -- because if there is no specific
2 license application, someone could just acquire a
3 general -- a generally licensed quantity of Category
4 3 material without going through any sort of vetting
5 process to determine if they're going to use the
6 material for malevolent use or not. And that's kind
7 of the driving force of asking this question.

8 Because again, the -- right now we do use
9 pre-licensing guidance to look at new applicants --
10 look at all new applications, but particularly we have
11 a process to look at applicants who have -- are
12 unknown entities to us. They never got a license
13 before. This is the reason why we're interesting in
14 people's input on that. People who never had a
15 license who get Category 3 through a general license,
16 it defeats the whole purpose of getting a Category 3
17 through a specific license.

18 MR. BACKHAUS: Sure. And so the practical
19 effect of this could be that companies which had
20 previously been operated under a general license that
21 you described would then, given all those
22 circumstances, be required to be general licensed --
23 or, sorry, specific licenses.

24 MR. WHITE: Specific licenses.

25 MR. BACKHAUS: Is that right? And so

1 then, that it seems to me could cast a pretty large
2 net over companies which use maybe exclusively -- but
3 in any case in large part devices which are general
4 licensed devices, especially small quantities general
5 license devices. I understand your thinking there to
6 be to establish some sort of curie content limit in
7 general licensed devices.

8 MR. WHITE: Yes.

9 MR. BACKHAUS: And if you have above that,
10 then you'd be required to become a specific license.
11 Do I understand that correctly?

12 MR. WHITE: Yes. I can speak to how many
13 NRC -- general licensees the NRC has that fall into
14 Category 3. It's around 20 facilities. Now I can't
15 -- Agreement State obviously would be -- increase that
16 amount obviously, but we're not talking hundreds of
17 thousands of licensees here. We're not talking in
18 that quantity. We're talking about a relatively small
19 number of licensees that would be impacted if they had
20 Category 3 quantities under a general license. They
21 could go get a Category 3 specific license. It's not
22 a -- it wouldn't be a huge -- it still would be a
23 burden for the individual licensees obviously to do
24 that of course, but in terms of the total number --
25 the affected total number wouldn't be.

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1 MR. BACKHAUS: So then just to clarify
2 that point then, should I think about your question in
3 terms of curie content per source or per general
4 license device, or should I think about it in total
5 curie content authorized by -- well, anyway, total
6 curie content that an entity that could have been
7 previously a general licensee --

8 MR. WHITE: Right.

9 MR. BACKHAUS: -- would sort of possess?

10 MR. WHITE: It would be --

11 MR. BACKHAUS: And in that maximum
12 aggregate case is that the thing which drives the need
13 in your thinking to become a specific licensee?

14 MR. WHITE: Right.

15 MR. BACKHAUS: Yes.

16 MR. WHITE: We're talking about
17 aggregating. The total quantity would have at the
18 facility would be the Category 3 quantity, yes.
19 That's correct.

20 MR. BACKHAUS: Okay. Well, I would submit
21 that without any data that there's a large number of
22 companies which that would catch.

23 MR. WHITE: Thank you.

24 MR. SMITH: Thank you very much.

25 Any additional comments or questions on

1 the webinar?

2 MS. DAVIS: There's one comment just --
3 yes.

4 MR. SMITH: Yes.

5 MS. DAVIS: By us, if you would like to
6 elaborate, but I'll keep you posted if --

7 MR. SMITH: Okay. Any additional comments
8 here in the room?

9 (No audible response.)

10 MR. SMITH: Mia, any additional comments
11 on the telephone line?

12 OPERATOR: Yes, we have a comment from
13 Phillip Scott.

14 Go ahead.

15 MR. SCOTT: Yes, I was just -- I would
16 recommend that a maximum quantity in a GLD such as
17 under 31.5 be established, but also you need to
18 consider how does that work into play with the
19 registration component of 31.5, and also I believe
20 40.25, which is depleted uranium, and would that pull
21 them in or are we only talking byproduct material, not
22 source material here?

23 And so then you would need to also
24 consider grandfathering process of pretty much like
25 what you've done under the source material change or

1 Part 40 change that just what, last year or year
2 before on distribution. That does create a lot more
3 licensing, so you'd need to consider what is NRC's
4 expected work load increase for licensing quantity CAT
5 3 instead of under a GL. And same with each Agreement
6 State. We would have to look at that.

7 I see a lot more workload if you do
8 establish it such that CAT 1, 2 and 3 would require a
9 specific license. A lot more cost, both economically
10 in the industry and on the Agreement State to carry
11 that out and to perform all the inspections. So those
12 things need to be considered.

13 MR. SMITH: Phillip, one question, follow-
14 up question. So what is your reasoning for
15 considering establishing -- that the NRC should
16 establish the maximum quantities for GLs?

17 MR. SCOTT: I think it deals in part with
18 the changes under the GL for Part 40 source material.
19 And that's the -- I had it in my head. I want to --
20 I don't want to say 40.13 because that's exempt
21 products. It's one of those in Part 40. The GL to
22 hold source material for distribution, manufacturing
23 and whatever you want. Because there seems to be an
24 inconsistency in the efforts over under Part 40 and
25 the Part 31 GLs as to how they're treated. Granted,

1 there is a need to treat them differently, but there's
2 still some inconsistencies in the processes.

3 And the registration component under 31.5
4 may already have the effect of creating a maximum so
5 that GL holders don't have to register similar to the
6 same question that was prior -- previously mentioned
7 on that, people keeping a CAT 3 source until it decays
8 off so they don't have to do LVS or the NSTS. So
9 those things just should be evaluated a little more.

10 MR. SMITH: Great. Thank you very much.

11 Gina, any additional comments/questions on
12 the webinar?

13 MS. DAVIS: No additional comments on the
14 web.

15 MR. SMITH: Okay. Mia, any additional
16 comments or questions on the telephone line?

17 OPERATOR: No additional comments from on
18 the phone.

19 MR. SMITH: Okay. That was the last
20 question from the FRN, but if there are any additional
21 comments or questions from the questions that we posed
22 earlier or if there are any additional questions or
23 comments that you would like to provide the staff at
24 this time, we'll accept those comments or questions.

25 So we'll give a second. We have about 35

1 minutes left that was scheduled for this webinar, so
2 we'll give you a couple extra minutes to provide
3 additional comments, if you have them.

4 (Pause.)

5 MR. SMITH: Are there any additional
6 comments or questions you guys would like to provide
7 for clarifications for submitting questions or
8 comments, or what you're looking for or -- I'm sure
9 today was a great help in understanding the type of
10 comments and questions you'll receive and provide some
11 idea of some of the clarifications that you may have
12 to provide folks.

13 MR. WHITE: One thing I was going to
14 mention about Phillip's last comments regarding
15 general license devices. When we were talking about
16 Category 3 general licenses, we were talking about
17 those devices with the radionuclides that we talked
18 about in the beginning, the 20 radionuclides in the
19 beginning. That's what they were talking about. So
20 Phillip discussed a little bit about Part 40, and that
21 really probably would not apply in this particular
22 case.

23 The other thing to point out, too, is;
24 again, Phillip alluded to this, there is a
25 registration requirement in Part 31.5. It covers some

1 of the isotopes we consider under Category 3. And
2 we've certainly captured them. But the question is,
3 yes, those would be registered, but the number of --
4 but the -- what we're talking about here is the
5 quantities involved for Category 3 would be not what's
6 required for registration because that's a pretty low
7 threshold. But the Category 3 quantities would be --
8 this is going to be general unless -- should they be
9 specifically licensed? So there's some nuances there
10 that to consider when looking at that.

11 MR. SMITH: Great. Okay.

12 MR. WHITE: And I do have -- again, just
13 to reiterate, talked about this a number of times, to
14 provide specific information as possible. Again, it
15 will help in the cost benefit analysis. As specific
16 as possible. It doubles the burden. Twice as much
17 activity. Anything you can provide to kind of provide
18 a quantitative spin on it would be very, very useful
19 to do the analysis.

20 MR. SMITH: Okay. Great. Anything,
21 Irene?

22 MS. WU: (No audible response.)

23 MR. SMITH: Okay. So to close the
24 meeting, we really appreciate your attending here at
25 the NRC, those who are on the web and those who are on

1 the telephone.

2 The NRC will hold several additional
3 public meetings and webinars on Category 3 source
4 safety and accountability during the public comment
5 period for this effort. Two webinars have been
6 noticed on the public meeting web site, and those are
7 on February 21st and March 2nd.

8 We are still planning for some additional
9 public meetings and webinars in February. All of
10 these public meetings and webinars will be noticed on
11 the public meeting web site, so please check there for
12 the times and detail.

13 Finally, we would like to remind you that
14 the public comment period for the FRN that provides
15 these questions closes on March 10th, 2017. We
16 encourage you to respond to the FRN and we also
17 appreciate your participating in today's meeting.

18 I'd like to close by saying again Duncan
19 White, his email address is duncan.white@nrc.gov. His
20 telephone number is (301) 415-2958. And Irene Wu, her
21 email address is irene.wu@nrc.gov. Her work number is
22 (301) 415-1951. Duncan and Irene are the point of
23 contacts for the Category 3 source security and
24 accountability meetings and webinars.

25 Again, thank you again for participating

1 today.

2 Mia, you can close the line.

3 OPERATOR: Great. Thank you. At this
4 time you may disconnect. Thank you.

5 MR. SMITH: Thank you for your assistance,
6 Mia.

7 (Whereupon, the above-entitled matter went
8 off the record at 3:26 p.m.)

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