

July 8, 2010

MEMORANDUM TO: R. W. Borchardt
Executive Director for Operations

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

SUBJECT: STAFF REQUIREMENTS – SECY-09-0123 – MATERIAL
CATEGORIZATION AND FUTURE FUEL CYCLE FACILITY
SECURITY-RELATED RULEMAKING

The Commission has approved in part and disapproved in part, subject to the comments below, the staff's request to pursue a revised categorization scheme for special nuclear material (SNM), which includes a material attractiveness approach, as part of the rulemaking to update SNM and fuel cycle facility security-related regulations.

The staff should engage a broad range of stakeholders as it develops the rulemaking package, including the international community, to identify efforts that may be ongoing considering different approaches including material categorization.

The Commission disapproved the inclusion of americium and neptunium in the categorization scheme.

This security-related rulemaking should not focus on the categorization of material associated with reprocessing. Instead, as a separate effort, and not on the same priority of this rulemaking, the staff should provide a detailed analysis and recommendations for the use of a material categorization approach for potential reprocessing facilities, MOX fuel for the purpose of transportation, and for applications that use large quantities of americium and/or neptunium. This analysis should include the effects of such action on U.S. Government interests and international non-proliferation activities. Given the state of Department of Energy and industry plans and limited agency resources, the staff should consider such analysis to be of low priority until such time that substantive plans are presented to deploy a reprocessing technology in United States.

The staff should determine the proposed quantity values as part of the development of the technical basis for the rulemaking to update special nuclear material and fuel cycle facility security-related regulations and these values should be presented to the Commission in the proposed rule package.

The staff should provide the Commission, as part of the rulemaking package, with the technical analysis of this approach being applied to all applications of SNM. The staff should also provide the technical analysis of this approach being applied to those RTR licensees that still utilize HEU fuel.

The staff should continue to maintain awareness of developments or revisions to DOE's classification scheme and, where there are differences between DOE and NRC's schemes, the reasons for the differences. Given that stakeholders may question the necessary differences between the DOE and NRC schemes, the staff should clearly explain in the rule the differences and similarities between DOE and NRC approaches and the reasons for the differences.

cc: Chairman Jaczko
Commissioner Svinicki
Commissioner Apostolakis
Commissioner Magwood
Commissioner Ostendorff
OGC
CFO