



NONDESTRUCTIVE TESTING MANAGEMENT ASSOCIATION

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DOCKET NUMBER

PROPOSED RULE

110

(69FR55785)

DOCKETED
USNRC

15

MEMORANDUM

TO: USNRC - email to SECY@nrc.gov

December 7, 2004 (9:49am)

FROM: George Moran, Executive Director

OFFICE OF SECRETARY
RULEMAKINGS AND
ADJUDICATIONS STAFF

SUBJECT: COMMENTS ON PROPOSED IMPORT / EXPORT REGULATIONS
RIN 3150-AH44

DATE: December 1, 2004

1. Part of the rationale for requiring a specific license for the import and export of high-risk radioactive material is to establish common international guidance for the safety and security of radioactive material. However, the proposed NRC rule imposes much more stringent limitations on US exporters than those published in the IAEA's Code of Conduct. Item 25 of the Code of Conduct states that exports should only be authorized if the receiving country has authorized the recipient to receive and possess the material. Requiring a licensee to list every company and country to which it exports material on a specific license is not a practicable way to accomplish this. The NRC's approval could be sought only for companies for which no such authorization exists and in countries that are not on an approved NRC list. (This list would have to be developed by the NRC and include countries that have a system of approval deemed acceptable by the NRC.) This ensures that sources are only exported to authorized users in countries with adequate regulatory controls.
2. In the conclusion of the proposed rule, it states that the duration of the specific license will be consistent with the expiration date of the recipient's authorization to possess or use the radioactive material. Our members export to dozens of companies in many different countries. Renewing an export license every time the recipient's import authorization is renewed is neither practical nor cost effective. In fact, it would make it cost prohibitive and would drive the customer to seek non-US products and non-US radioactive material suppliers. This could result in the US having less control over the security of radioactive material.
3. In the 10/19/2004 public meeting, the estimated projected time frame for processing a new or revised license was "one to four months and probably more". Requiring a licensee to wait that length of time every time that they locate a new vendor or customer for radioactive material would constitute a significant impediment to free trade and international business. It would also put NRC licensees at a significant disadvantage when competing internationally.
4. The projected fee for the initial licenses are \$10,100 for Category I shipments and \$5,900 for Category II shipments. The fee would be assessed for the initial license and for license amendments (adding a customer), and presumably for renewals. It was not clear whether the license is a combined import / export license or separate import license and export license (requiring 2 fees). When additional information was requested from the NRC by one of our member companies in this regards, they were told that seven (7) or more separate licenses would be required. They were told that they would expire in 3 - 5 years, and that will probably change if they need to be renewed every time that the company's license expires. These fees would effectively put most US companies out of the export business of radiography sources.

Template = SECY-067

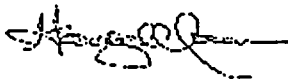
SECY-02

5. There is no provision to provide relief to small entities. Considering the significant cost of the import / export licenses, and the frequency for renewals and revisions, this cost is out of proportion to the value of the business. It is not reasonable to provide a small business fee structure for reactor, fuel cycle and materials licenses, etc. per 10CFR Part 171 import / export licenses, and not allow the same reduced fees under 10CFR Part 170.
6. The advance notification proposed in this rule do not in fact mirror those contained in the "Additional Security Measures", nor do they reflect the practical implementation problems that have been previously reported to NRC by our members. A 24 hour advance notification of exports is not practical as orders are generally shipped the same day they are ordered. Our member companies also receive decayed radiography sources for disposal for which they typically have no notification from the overseas shipper. Also, if they have to apply for import licenses for customers to whom they offer disposal services at the rates proposed, they would not do so since it would not be economically feasible.
7. Have NRC issue a broad scope export license to cover the countries requested by the licensee, details on specific end users should not be on the license as this will frequently change. Amendment is only required when a new country of destination is needed. It would be very useful up front to have access to a list of countries that the NRC has already assessed and found acceptable. Have IAEA generate a list of acceptable countries that all countries can use, instead of redundant assessments by multiple countries.

Allow use of end user statements instead of licenses and to allow the exporter/shipper to use local QA procedures to validate or verify legitimacy of end user using standard business practices in accordance with already existing Customs requirements.

For Category 2 limits, notification of export shipments to NRC can be done via email at time of shipment. We currently do this for customer notifications to comply with the additional security measures for communicating notice of shipment to recipient. Notification of imports can be done at time of receipt for Category 2 limits. Advance notification for Category 1 shipments can be done prior to receipt or shipment, as there is much more notice and control of these shipments.

We believe these practices provide the same level of security as those methods currently proposed in 10 CFR 110, with less administrative, financial and operational burdens than what is currently proposed.



George Moran,
Executive Director

From: "George C. Moran" <georgem@spec150.com>
To: <SECY@nrc.gov>
Date: Mon, Dec 6, 2004 4:56 PM
Subject: Fw: COMMENTS ON PROPOSED IMPORT / EXPORT REGULATIONS

Please discard the attachment previously sent to you earlier today and use this updated copy dated December 1, 2004. I failed to send you the latest version which included additional comments from members of the organization.

Thank you

----- Original Message -----

From: George C. Moran
To: SECY@nrc.gov
Cc: Donny (SPEC) Dicharry ; Hank Kaczowka ; Bill Huddleston ; Curt Auzenne ; Bob Feole ; Bob Phelan ; Bruce Pellegrino ; David Culbertson ; Garry Balestracci ; George Moran (NDTMA) ; Jim (Home) Treat ; Jim (Laptop) Treat ; Kirk Thams ; Robert Hardison ; Rod Reinholdt ; Scott Augustine
Sent: Monday, December 06, 2004 3:35 PM
Subject: COMMENTS ON PROPOSED IMPORT / EXPORT REGULATIONS

Attached are comments from the Nondestructive Testing Management Association (NDTMA) on the proposed Import / Export Regulations, RIN 3150-AH44. My apologies for submitting them after the November 30 comment date, but I trust you will consider them in your review of the proposed regulations.

Contact me at 985.785.5271 or via email at gmoran@ndtma.org.

George Moran
 NDTMA Executive Director

Mail Envelope Properties (41B4D589.719 : 17 : 50969)

Subject: Fw: COMMENTS ON PROPOSED IMPORT / EXPORT REGULATIONS
Creation Date: Mon, Dec 6, 2004 4:52 PM
From: "George C. Moran" <georgem@spec150.com>
Created By: georgem@spec150.com

Recipients

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Files	Size	Date & Time
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NRC Import Export letter.DOC	78848	
Mime.822	117025	

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