

January 24, 2014

ALL AGREEMENT STATES

SECOND PUBLIC MEETING ON PROPOSED AMENDMENTS TO MATERIAL CONTROL AND ACCOUNTING REGULATIONS, 10 CFR PARTS 40, 70, 72, 74 AND 150 AND NOTIFICATION RESCHEDULED PUBLIC MEETING (FSME-14-008)

Purpose: To notify the Agreement States that the Nuclear Regulatory Commission (NRC) plans to hold a second public meeting to continue the discussions from the first public meeting that was held on January 9, 2014. The second public meeting will be held on February 5, 2014 to provide an additional opportunity for interested parties to improve their understanding of the NRC's proposed rule to revise and consolidate the NRC regulations for material control and accounting (MC&A) of special nuclear material (SNM) and the associated proposed guidance. The public comment period for the proposed rule and the proposed guidance was previously extended in response to a request by stakeholders and closes on March 10, 2014. The NRC is proposing to amend its regulations for MC&A of SNM including provisions in Part 150, *Exemptions and Continued Regulatory Authority in Agreement States and in Offshore Waters under Section 274*.

Background: On November 20, 2013, the NRC issued FSME-13-119 to notify the Agreement States of the opportunity to comment on the proposed rule to amend the regulations for MC&A of SNM. Due to inclement weather, the first public meeting was rescheduled and the comment period was extended to 60 days after the rescheduled public meeting. On December 20, 2013, the NRC issued FSME-13-131 to notify the Agreement States that the first public meeting had been rescheduled to be held on January 9, 2014, and the public comment period had been extended until March 10, 2014. At the end of the first public meeting on January 9, 2014, the NRC received a request to continue the discussions at a second public meeting, and the NRC agreed.

On November 8, 2013, the *Federal Register* notice for the proposed rule and the notice announcing the availability of the draft associated regulatory guidance (NUREGs) were published (respectively, 78 FR 67225 and 78 FR 67224). The proposed amendments to the regulations can be accessed through the web site: <http://www.gpo.gov/fdsys/pkg/FR-2013-11-08/pdf/2013-25617.pdf>. The public comment period will end March 10, 2014.*

*This information request has previously been approved by OMB 3150-0029 and was resubmitted to OMB for review of continued approval of information collection. The estimated burden per response to comply with this voluntary collection is approximately 8 hours. Send comments regarding the burden estimate to the Records and Information Services Branch (T-5F53), U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, or by Internet e-mail to infocollects.resource@nrc.gov, and to the Desk Officer, Office of Information and Regulatory Affairs, NEOB-10202 (3150-0200), Office of Management and Budget, Washington, DC 20503. If a means used to impose an information collection does not display a currently valid OMB control number, the NRC may not conduct or sponsor, and a person is not required to respond to, the information collection.

The proposed new requirements would apply to NRC licensees who are authorized to possess SNM in a quantity greater than 350 grams. Agreement State licensees are authorized to possess SNM in a quantity of 350 grams or less and are subject to Title 10 of the *Code of Federal Regulations* (10 CFR) 150.17, material status reporting requirements. The proposed changes to these requirements are plain language revisions, and conform with the proposed plain language revisions to the 10 CFR 74.13 material status reporting requirements. These changes do not require any action by the Agreement State licensees. The affected regulations are classified as Agreement State Compatibility Category "NRC."

Discussion: There are specific questions about the proposed 10 CFR 74.3, general performance objectives, that would apply to all NRC licensees authorized to possess greater than 350 grams of SNM. Licensees authorized to possess 350 grams of SNM or less would not be made subject to the general performance objectives because such licensees are not required to implement a formal MC&A program. These licensees are subject to the existing reporting requirements in 10 CFR 74.11, 74.13, and 74.15, which are applicable to licensees authorized to possess 1 gram or more of SNM. Agreement State licensees are similarly subject to the corresponding reporting requirements to NRC in 10 CFR 150.16 and 150.17.

As stated in the *Federal Register* notice for the proposed rule, the NRC is seeking specific input whether the regulatory threshold should be higher or lower than 350 grams, and if so, why? If this threshold amount is lower than 350 grams, the NRC would add a similar set of requirements to 10 CFR Part 150 to apply to Agreement State licensees. If that were done, how could the NRC best ensure compliance with the general performance objectives in the Agreement States?

The February 5, 2014, meeting notice and agenda are available at: <http://www.nrc.gov/public-involve/public-meetings/index.cfm>. The meeting notice provides details for Agreement States to register for the Webinar. Please use the following information to participate in the teleconference and Webinar. (The audio portion of the Webinar is accessed via the teleconference line.)

Teleconference: 866-905-5598 passcode: 8273683

Webinar link: <https://www1.gotomeeting.com/register/775126953>

If you have any questions regarding this correspondence, please contact me at 301-415-7278, or the individual named below.

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