



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
WASHINGTON, D.C. 20555-0001

April 21, 2016

TO: Holders of Materials Licenses (Identified in Enclosure 1) That Received
U.S. Nuclear Regulatory Commission Security Orders

SUBJECT: RESCISSION OF U.S. NUCLEAR REGULATORY COMMISSION'S ISSUED
SECURITY ORDERS FOR COMPENSATORY MEASURES AND ADDITIONAL
SECURITY MEASURES (IDENTIFIED IN ENCLOSURE 2)

This letter is being sent to Agreement States licensees that received the U.S. Nuclear Regulatory Commission (NRC) security orders. The NRC previously issued security orders under the NRC's common defense and security authority to certain types of materials licensees. These orders (listed below) were instituted to address the security of Category 1 and Category 2 quantities of radioactive material until security regulations could be promulgated. On March 19, 2013, the NRC published Title 10 of the *Code of Federal Regulations* (10 CFR) Part 37, "Physical Protection of Category 1 and Category 2 Quantities of Radioactive Material." This final rule, along with Agreement States' adopting compatible regulations or other legally binding requirements such as license conditions or issuing orders, establishes security requirements for licensees possessing Category 1 and Category 2 quantities of radioactive material.

Agreement State licensees that received an NRC security order are required to comply with the order until the State issues regulations or legally binding requirements that are adequate and compatible with 10 CFR Part 37, and those requirements become effective. The NRC has determined that your State has established final regulations or other legally binding requirements, which are adequate and compatible with 10 CFR Part 37. These final regulations or other legally binding requirements became effective for licensees from your State as of the date specified in Enclosure 3. Accordingly, as of the effective date listed for your State (Enclosure 3), the NRC is concurrently rescinding the NRC-issued orders through this formal written correspondence for the following types of orders issued:

- Panoramic and Underwater Irradiator Licensees: These orders, for certain panoramic and underwater irradiator licensees that are authorized to possess more than 370 TBq (10,000 Ci) of radioactive material, require the implementation of compensatory measures and the protection of the licensee's physical protection information as Safeguards Information - Modified Handling (SGI-M).
- Manufacturing and Distribution (M&D) Licensees: These orders, for certain M&D licensees, require the implementation of additional security measures and the protection of the licensee's physical protection information as SGI-M.
- Licensees Transporting Radioactive Material in Quantities of Concern (RAMQC): These orders require the implementation of additional security measures and the protection of the licensee's transportation security planning as SGI-M.

- Fingerprinting: Separate fingerprinting orders were issued for: (1) access to and protection of safeguards information (SGI) and SGI-M for those licensees that received security orders or possessed information that required protection; and (2) for unescorted access to radioactive material in quantities of concern.

The security orders described above are available on the NRC's public Web site at <http://www.nrc.gov/security/byproduct/orders.html>. Specific sections of the security orders for Panoramic and Underwater Irradiators, M&Ds, and RAMQC, that contain sensitive information or SGI-M, are not publicly available. The specific orders being rescinded are identified in Enclosure 2 to this letter.

Once your State's 10 CFR Part 37 requirements are in place, and the security orders referenced above rescinded, the SGI-M security orders issued to the licensees identified in Enclosure 1, as well as the security plans prepared pursuant to the orders, must be destroyed in accordance with 10 CFR 73.23(i) (Enclosure 4). The security plans required by these NRC orders include detailed SGI information that is not required to be included in security plans prepared for compliance with 10 CFR Part 37 requirements. Security plans prepared in preparation for compliance with your State's 10 CFR Part 37 requirements should not contain the detailed SGI information required by NRC orders, but instead, should only include the information required by the 10 CFR Part 37 requirements.

Because the NRC previously designated security plans for certain licensees, such as Panoramic Underwater Irradiators and M&Ds, as SGI-M, licensees may have security plans that were prepared in anticipation of your State's 10 CFR Part 37 requirements that may be labelled SGI-M even though the plans do not contain the detailed SGI information required by the orders. The NRC recently modified its SGI-M regulations such that security plans for Panoramic Underwater Irradiators and M&Ds are no longer considered SGI-M (80 FR 3865). Therefore, licensees who have security plans prepared in preparation for 10 CFR Part 37 requirements that do not contain the same specific information that was included in the security plans required by the orders (e.g., response times) but that are labelled SGI-M, should decontrol those security plans according to 10 CFR 73.23(h) (Enclosure 4) and protect the information pursuant to your State's Part 37 requirements.

Licensees should also be aware that documents marked as SGI-M must continue to be protected as SGI-M until they are destroyed or decontrolled. Additional information on the destruction or decontrolling of SGI is available in Section 9 of Regulatory Guide 5.79, "Protection of Safeguards Information."

If you have specific questions or concerns regarding the rescission of NRC's security orders, you may contact Kim Lukes (301-415-6701, Kim.Lukes@nrc.gov).

Sincerely,

/RA/

Scott W. Moore, Acting Director
Office of Nuclear Material Safety
and Safeguards

Enclosures:

1. List of Applicable Materials Licensees
2. Table of Specific Orders for Rescission
3. Reference List of State Effective Dates
4. 10 CFR 73.23 (h) and (i) Text

If you have specific questions or concerns regarding the rescission of NRC's security orders, you may contact Kim Lukes (301-415-6701, Kim.Lukes@nrc.gov).

Sincerely,

/RA/

Scott W. Moore, Acting Director
Office of Nuclear Material Safety
and Safeguards

Enclosures:

1. List of Applicable Materials Licensees
2. Table of Specific Orders for Rescission
3. Reference List of State Effective Dates
4. 10 CFR 73.23 (h) and (i) Text

DISTRIBUTION:

See next page

ML16053A386

OFFICE	NMSS/MSTR	NMSS/MSTR	NMSS/MSTR	NMSS/MSTR
NAME	MSmethers	SAtack	Via e-mail MBeardsley	DCollins
DATE	3/15/2016	3/24/2016	3/24/2016	4/06/2016
OFFICE	OGC - NLO	NMSS(TechEd)	OE	NMSS
NAME	Via e-mail JOImstead	WMoore	Via e-mail PHolahan	SMoore
DATE	4/01/2016	4/07/2016	4/12/2016	4/21/2016

OFFICIAL RECORD COPY

DISTRIBUTION:**Agreement States:**

Jared Thompson, Arkansas Department of Health
John Fassell, California Department of Health Services
Cynthia Becker, Florida Department of Health
Travis Cartoski, Georgia Environmental Protection Division
Gibb Vinson, Illinois Emergency Management Agency
Curt Pendergrass, Kentucky Department for Public Health
Richard Blackwell, Louisiana Department of Environmental Quality
Raymond Manley, Maryland Department of the Environment
Jack Priest, Massachusetts Department for Public Health
B.J. Smith, Mississippi State Department of Health
Julia Schmitt, Nebraska Department of Health & Human Services
Augustinus Ong, New Hampshire Department of Health & Human Services
Catherine Biel, New Jersey Department of Environmental Protection
Michael Ortiz, New Mexico Environmental Department
Robert Dansereau, New York State Health Department
David Crowley, North Carolina Department of Health and Human Services
James Peterson, South Carolina Department of Health and Environmental Control
Charles Flynn, Texas Department of State Health Services
Bobby Janecka, Texas Commission of Environmental Quality
Paul Schmidt, Wisconsin Department of Health Services

NRC:

Melanie Galloway, NSIR
Tim Mossman, NSIR
Daniel Collins, NMSS
Paul Michalak, NMSS
James Trapp, Region I
Blake Welling, Region I
Donna Janda, Region I
Monica Ford, Region I
John Giessner, Region III
Aaron McCraw, Region III
Patricia Pelke, Region III
James Lynch, Region III
Mark Shaffer, Region IV
Ray Kellar, Region IV
Vivian Campbell, Region IV
Randy Erickson, Region IV

MSTR r/f

Applicable State Materials Licensees

License No.: NR-12345-67
Docket No.: 030-12345
John Doe Company, Inc.
123 Brick Road
Any City, ST 01234

Will appear with specific licensee information when mailed out. There will be a master list for internal purposes.

**Specific Orders Identified for Rescission,
Effective Immediately**

Fingerprinting – Access to Materials

Issuance Date	Order No.	Order Description	Recipients
10/17/2006 03/08/2007 06/05/2013	EA 06-248 EA 07-055 EA 13-041	Fingerprinting for access to materials	Irradiator Order Recipients
10/17/2006 06/05/2013	EA 06-250 EA 12-194	Fingerprinting for access to materials	M&D Order Recipients
10/17/2006	EA 06-249	Fingerprinting for access to materials	RAMQC Order Recipients

Fingerprinting – Access to and Protection of Safeguards Information (SGI)

Issuance Date	Order No.	Order Description	Recipients
08/21/2006 10/04/2006 12/01/2006 06/05/2013 06/05/2013	EA 06-155 EA 06-242 EA 06-290 EA 12-193 EA 13-040	Order Imposing Fingerprinting Requirements for Access to SGI	Irradiator, M&D, or RAMQC Recipients

Irradiator Order

Issuance Date	Order No.	Order Description	Recipients
06/06/2003 09/16/2005 11/09/2006 05/22/2007 06/05/2008 01/23/2014	EA 02-249 EA 05-129 EA 06-251 EA 07-002 EA 08-033 EA 13-241	Order Imposing Compensatory Measures for Panoramic and Underwater Irradiators Authorized to Possess Greater than 370 TeraBecquerels (10,000 Curies) of Byproduct Material in the Form of Sealed Sources	Licensees with Panoramic and Underwater Irradiators that are authorized to possess greater than 370 TBq (10, 000 Ci) of radioactive material

M&D Order			
Issuance Date	Order No.	Order Description	Recipients
01/12/2004 09/16/2005 05/22/2007 10/29/2013	EA 03-225 EA 05-129M EA 07-019 EA 13-189	Order Imposing Additional Security Measures to Manufacturing and Distribution Licensees	Licensees authorized to manufacture or initially transfer items containing radioactive material for sale or distribution
RAMQC (Transport) Order			
Issuance Date	Order No.	Order Description	Recipients
06/06/2003 05/22/2007	EA 05-006 EA 07-003	Order for Additional Security Measures on the Transportation of Radioactive Material Quantities of Concern	Licensees authorized to possess and transfer items containing radioactive material quantities of concern

State Effective Dates	
State	Effective Date
Arkansas	3/01/2016
California	3/19/2016
Florida	3/01/2016
Georgia	3/19/2016
Illinois	2/26/2016
Kentucky	2/05/2016
Louisiana	11/20/2015
Maryland	3/04/2016
Massachusetts	2/26/2016
Mississippi	3/19/2016
Nebraska	3/19/2016
New Hampshire	3/10/2016
New Jersey	3/19/2016
New Mexico	3/11/2016
New York	3/18/2016
North Carolina	3/01/2016
South Carolina	3/19/2016
Texas	3/01/2016
Wisconsin	2/01/2016

10 CFR 73.23 (h) and (i) Text

(h) Removal from Safeguards Information-Modified Handling category. Documents or other matter originally containing Safeguards Information designated as Safeguards Information-Modified Handling must be removed from the Safeguards Information category at such time as the information no longer meets the criteria contained in this Part. Care must be exercised to ensure that any document or other matter decontrolled shall not disclose Safeguards Information in some other form or be combined with other unprotected information to disclose Safeguards Information. The authority to determine that a document or other matter may be decontrolled will only be exercised by the U.S Nuclear Regulatory Commission (NRC), with NRC approval, or in consultation with the individual or organization that made the original determination.

(i) Destruction of matter containing Safeguards Information designated as Safeguards Information-Modified Handling. Documents or other matter containing Safeguards Information shall be destroyed when no longer needed. The information can be destroyed by burning, shredding, or any other method that precludes reconstruction by means available to the public at large. Piece sizes no wider than one quarter inch composed of several pages or documents and thoroughly mixed are considered completely destroyed.

Note: For additional guidance on destroying or decontrolling Safeguards Information, please see Section 9 of the U.S. Nuclear Regulatory Commission Regulatory Guide 5.79, "Protection of Safeguards Information."

(Link: <http://pbadupws.nrc.gov/docs/ML1032/ML103270219.pdf>)