



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION**  
REGION IV  
1600 E. LAMAR BLVD  
ARLINGTON TX 76011-4511

April 19, 2016

Chéré D. Morgan, Director  
Radiological Control  
Idaho National Laboratory  
2525 North Fremont Avenue  
Idaho Falls, ID 83415

SUBJECT: DEPARTMENT OF ENERGY PRIME CONTRACTOR EXEMPTION UNDER  
10 CFR 30.12

Dear Ms. Morgan:

The Nuclear Regulatory Commission (NRC) received a request from the U.S. Department of Energy (DOE), Idaho National Laboratory (INL), to conduct training in Castaic, California, during May 2016, using sealed sources that are owned and controlled by INL. This training will be provided with the assistance of Battelle Energy Alliance, LLC (Battelle), a prime contractor for DOE INL. The training was described as joint training and field exercises between Idaho National Laboratory, Sandia National Laboratory, the Federal Bureau of Investigation (FBI), and other local law enforcement bomb squads on package interrogation techniques.

The NRC regulations provide an exemption in Title 10 of the Code of Federal Regulations (CFR) 30.12 from the requirement to possess an NRC license to any prime contractor of DOE at a government owned or controlled site. However, if the prime contractor or subcontractor is performing work for DOE at another location which is not a government owned or controlled site, then the Commission needs to determine whether the exemption is authorized by law and whether, under the terms of the contract, there is adequate assurance that the work thereunder can be accomplished without undue risk to the public health and safety.

In this particular case, DOE INL has requested to conduct work activities in the State of California, which is an Agreement State. Under a Commission Policy Statement (46 FR 7540, January 23, 1981), Agreement States may issue case-by-case exemptions only upon a joint determination by the State and the NRC that the necessary findings have been made; hence, the requirement in California's regulation that the determination of the grant of a specific exemption be made jointly with the NRC.

The NRC has reviewed the salient parts of Battelle's prime management and operating contract with DOE INL. The review determined that the exemption under 10 CFR 30.12 is authorized by law. Additionally, the procedures and commitments made by DOE INL for conducting work activities in the State of California were reviewed. Based on this review, the NRC and the State of California have determined that there is adequate assurance that the activity can be accomplished without undue risk to public health and safety. Therefore, the exemption under 10 CFR 30.12 is authorized by law and this activity can proceed without the need to obtain a specific license.

C. Morgan

- 2 -

If there are any questions or comments concerning this review, please contact the undersigned at 817-200-1189.

Sincerely,

**/RA/**

Roberto J. Torres, M.S., Senior Health Physicist  
Nuclear Materials Safety Branch B

cc: Gonzalo Perez, Chief  
Radiological Health Branch  
Div. of Food, Drug & Radiation Safety  
CA Department of Health Services  
P.O. Box 997414, MS-7610  
Sacramento, California 95899-7414