



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

October 3, 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 received a letter dated September 7, 2016, from you on behalf of Battelle Energy Alliance, LLC (Battelle), a prime contractor with the U.S. Department of Energy (DOE), Idaho National Laboratory (INL), requesting an exemption pursuant to 10 CFR 30.12 from NRC licensing requirements to allow Battelle to conduct training using sealed sources that are owned and controlled by DOE INL. The training was described as joint training and field exercises between law enforcement agencies during October 2016.

The NRC regulations provide an exemption in 10 CFR 30.12 to any prime or subcontractor of DOE at a U.S. Government owned or controlled site, such as DOE INL. 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 must 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 public health and safety.

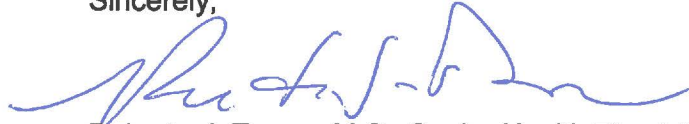
In this particular case, Battelle has requested to conduct work activities in an Agreement State. In accordance with Commission Policy Statement (46 FR 7540, January 23, 1981), Agreement States may issue case-by-case exemptions only upon a joint determination by the State and the NRC that the necessary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

The NRC has reviewed Battelle's prime management and operating contract with DOE INL that was submitted as part of previous request to confirm that the contractor satisfies the requirements for the exemption as discussed in 10 CFR 30.12. Additionally, the NRC and the State of Texas reviewed the procedures and commitments made by DOE INL for conducting work activities in Texas. Based on this review, the NRC and the State of Texas have determined that there is adequate assurance that the activity can be accomplished without undue risk to public health and safety. The NRC has also determined that an exemption under 10 CFR 30.12 is authorized by law. Therefore, this activity can proceed without the need to obtain a specific license.

An environmental assessment for this action is generally not required, since this action is categorically excluded under 10 CFR 51.22(c)(14)(v).

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Roberto J. Torres".

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

cc:

Charlotte Sullivan, M.S.A., B.S.N., Manager
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