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POLICY ISSUE

(Notation Vote)

December 17, 1996

SECY-96-252

FOR: The Commissioners

FROM: James M. Taylor
Executive Director for Operations

SUBJECT: EXTENSION OF LICENSE TERM FOR MATERIAL LICENSES

PURPOSE:

To obtain Commission approval of the staff's proposal to extend the license term for licenses issued pursuant to 10 CFR Part 30*, "Rules of General Applicability to Domestic Licensing of Byproduct Material;" Part 40, "Domestic Licensing of Source Material;" and Part 70, "Domestic Licensing of Special Nuclear Material" from the current 5-year periods to 10-year periods and to inform the Commission of the staff's intent to revise 10 CFR 35.18 to remove the requirement for a 5-year license term for medical licensees. The current 5-year terms are a matter of practice and do not appear in the U.S. Nuclear Regulatory Commission regulations, except for a license for the medical use of byproduct material, codified in 10 CFR 35.18.

CATEGORY:

This paper covers a significant matter requiring Commission consideration.

CONTACTS: Cathy Haney, NMSS
(301) 415-7206

NOTE: TO BE MADE PUBLICLY AVAILABLE WHEN
THE FINAL SRM IS MADE AVAILABLE

Diane S. Flack, NMSS
(301) 415-5681

* Reference to Part 30 is intended to include 10 CFR Part 33, "Specific Domestic Licenses of Broad Scope for Byproduct Material"; Part 34, "Licenses for Radiography and Radiation Safety Requirements for Radiographic Operations"; Part 35, "Medical Use of Byproduct Material"; Part 36, "Licenses and Radiation Safety Requirements for Irradiators"; Part 39, "Licenses and Radiation Safety Requirements for Well Logging," and any other regulations that are developed in the Part 30 series in the future.

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M-4 LICENSEES
O&M-6 Commiss

BACKGROUND:

Staff in the Office of Nuclear Material Safety and Safeguards (NMSS) initiated a review in 1995 to determine if the license term for material licenses could be increased so that licensing resources could be redirected into other areas of the materials program. The resources devoted to renewals constituted over 50 percent of the total resources expended in the licensing area. NMSS undertook this review as a part of the Business Process Reengineering efforts and the efforts begun in 1993 to reduce the regulatory burden on uranium recovery licensees.

The term of a license has been reviewed on multiple occasions over the years. The general history of actions regarding the term of material licenses is provided in Attachment 1. More specific information on the license term for medical licenses is provided in the rulemaking plan to revise 10 CFR 35.18 (Attachment 2). Most recently, on September 8, 1995 (Federal Register, 60 FR 46784) the Commission published a proposed rule that would grant, on a one-time basis, a 5-year extension of the expiration date for certain byproduct, source, and special nuclear material licenses. This was done to free staff resources, which would be redirected, in part, to the detailed design and testing of a new material licensing process. This notice also solicited comments from the public on the appropriate durations for material licenses. The rule was published in final form on January 16, 1996 (Federal Register, 61 FR 1109).

The majority (18) of the 28 comments received in response to the September 1995 Federal Register notice were in favor of the extension, as presented in the proposed rule. Commenters supporting the proposed rule cited the cost savings to taxpayers, affected licensees, and the general public. In addition, 10 commenters provided specific comments on the appropriate duration of material licenses. One commenter suggested that medical licenses be issued for 7 years. Another commenter suggested that a license be initially issued for 2 to 4 years, to allow a new licensee to demonstrate its stability; then, subsequent license renewals could extend the license duration to 20 years. Seven commenters were in favor of extending beyond the current 5-year period. These commenters suggested license periods of either 10 or 20 years. One licensee commented that license duration should be extended, but did not specify a time period. Finally, one commenter recommended that NRC eliminate the license renewal program and license expiration dates, because they served no useful purpose.

DISCUSSION:

Traditionally, the license renewal process has been used as an opportunity for the Commission to review: (1) the history of the licensee's operating performance (e.g., the record on compliance with regulatory requirements); and (2) the licensee's program, to ensure that it employs up-to-date technology and practices in the protection of health, safety, and the environment and compliance with any new or amended regulations.

As part of a license renewal, the licensee is asked to provide information on the current status of its program, as well as any proposed changes in:

operations (types and quantities of authorized materials); personnel (authorized users and radiation safety officers); facility; equipment; or applicable procedures. The renewal process benefits both the licensee and the Commission, because it requires both to take a comprehensive look at the licensed operation. However, in practice, most of the proposed changes are identified and requested by licensees as amendments, rather than during the license renewal process.

The staff believes that the license duration period can be extended without adverse impacts on public health and safety, such as increases in the unintentional abandonment of licensed material or decreases in the licensees' attention to licensed activities for the following reasons.

1. Licensees will continue to be required to adhere to the regulations and their license conditions, and to apply for license amendments for certain proposed changes to their programs.
2. No changes in either the frequency or elements of the materials inspection program are being proposed. The staff will continue to be in the position to identify, by inspection or other means, violations that affect public health and safety, and to take appropriate enforcement actions.
3. Any cases of unintentional abandonment of NRC licenses will be identified through nonpayment of the annual licensing fees and regional follow-up.
4. The staff will continue to make licensees aware of health and safety issues through the issuance of generic communications (such as information notices, generic letters, bulletins, and the NMSS Licensee Newsletter).
5. As compared to the last review of material license duration, done in 1978, the regulatory regime applicable to materials licensees has become more stable and predictable and the industries regulated under Parts 30, 40, and 70 have matured significantly.
6. NRC has developed specific regulatory criteria for materials users in various areas. For example, since the 1978 study, NRC has developed or amended, based on operating experience, the following affected regulations: 10 CFR Parts 33, 34, 35, 36, 39, and 40.
7. Staff has underway efforts to move to a more performance-based regulatory approach, where more emphasis is placed on the licensee's execution of commitments than on re-review of the details of the licensee's program.

Based on the current 5-year renewal cycle, 1100 licenses were renewed in fiscal year (FY) 1994 and 1050 licenses were renewed in FY 1995. Staff expended approximately 14 full-time equivalents (FTEs) each year in completing those actions. As noted in SECY-96-139, "Business Process Redesign of Materials Licensing and Inspection - Status Report," the one-time license

extension resulted in an estimated resource savings of approximately 6 FTEs. Depending on the new cycle selected, similar FTE savings could be realized on a long-term basis, beginning in the year 2001, when the recently extended materials licenses are due for renewal. Approval of the 10-year license term would be consistent with the goal of streamlining the licensing process.

Staff also considered the option of extending the license term to 20 years. Although this option would significantly reduce resources, the staff is not ready to support it at this time. Staff concluded that license terms should be extended to 10 years, with the option of issuing licenses for a shorter duration if the Commission deems it appropriate. After gaining experience with longer-term licenses and with the methods for maintaining periodic contact with material licensees, it is possible that the staff will recommend a change in license duration to license terms beyond 10 years.

During consideration of the license term, staff reviewed the circumstances that should be considered when making a decision as to whether a specific license should be issued for less than 10 years. As part of this effort, staff reviewed the reasons that specific licenses were not extended under the one-time license term extensions that were granted in 1996 (Federal Register notice, 61 FR 1109). Conditions for not extending a license and the number of licenses that were not extended are provided in Attachment 3. After reviewing the criteria used for the one-time license term extension, staff does not believe that the same criteria apply to the current proposal to issue licenses for a 10-year duration. The criteria in the table were used to identify specific material licensees whose licenses could not be extended for an additional five years without reviewing the license in its entirety to ensure no adverse effects on public health and safety. Such a review would have required a substantial technical review, and, therefore, was outside of the administrative action taken by the staff.

If the license term for material licenses is extended to 10 years, every license will undergo the normal review process prior to renewal for a new 10-year term. Staff believes that once these licenses have been renewed for 10 years, future changes during the 10-year period can be handled through license amendments rather than through the renewal process and any changes in operations can be verified through the inspection process. In addition, staff believes that operational problems would be better addressed through increased inspection efforts as required by NRC Inspection Manual Chapter 2800, "Materials Inspection Program." This Manual Chapter provides a protocol for increasing or decreasing inspection frequency, based on inspection results. The staff continues to believe that the option to issue licenses for shorter terms should be maintained for situations where the industry or NRC has not had extensive experience in using or regulating the proposed use of the material, and any other situations that would warrant increased attention on a case-specific basis. Examples could include licensees whose enforcement history indicates that the licensing staff may need to review their programs in less than ten years or situations where the NRC may want to revisit the specific conditions and requirements associated with new technologies in a more timely manner.

Staff proposes to implement this new practice immediately after Commission approval, except for licenses issued pursuant to Part 35, because of the necessary rule change. All other new or renewed licenses would be issued for

a 10-year term unless the staff exercises the option to issue the license for a shorter term. Implementation will be addressed in the following manner:

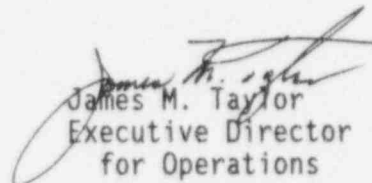
1. Announce in the Federal Register that the license term for new or renewed licenses issued pursuant to 10 CFR Parts 30, 40, and 70, with the exception of licenses issued pursuant to 10 CFR Part 35, has been extended to 10 years, unless the staff exercises the option to issue a license for a shorter term. (Attachment 4).
2. Issue a proposed rule in the Federal Register to remove the 5-year term for licenses for the medical use of byproduct material currently contained in 10 CFR 35.18. The rulemaking plan for the proposed rule is provided in Attachment 2.
3. Issue a Press Release that announces the change in license duration for licenses issued pursuant to 10 CFR Parts 30, 40, and 70 (with the exception of licenses issued pursuant to 10 CFR Part 35) (Attachment 5).
4. Prepare an NMSS Licensee Newsletter article announcing the change in license duration.

RECOMMENDATIONS:

That the Commission approve an increase in the license term for licenses issued pursuant to 10 CFR Parts 30, 40, and 70 (with the exception of licenses issued pursuant to 10 CFR Part 35) from the current 5-year period to 10-year period and approve the rulemaking plan to remove the 5-year term for medical use licenses in 10 CFR Part 35.

COORDINATION:

The Office of the General Counsel has reviewed this paper and has no legal objection.


James M. Taylor
Executive Director
for Operations

Attachments:

1. History of License Terms
2. Rulemaking Plan for Amendment of 10 CFR Part 35
3. Reasons License Terms Were Not Extended in Response to Federal Register, 61 FR 1109
4. Federal Register notice
5. Press Release

DISTRIBUTION:

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SECY

Commissioners' comments or consent should be provided directly to the Office of the Secretary by COB Monday, January 6, 1997.

Commission Staff Office comments, if any, should be submitted to the Commissioners NLT Friday, December 27, 1996, with an information copy to the Office of the Secretary. If that paper is of such a nature that it requires additional review and comment, the Commissioners and the Secretariat should be apprised of when comments may be expected.

History of License Terms

In a Federal Register notice (32 FR 7172) dated May 12, 1967, the Commission amended Part 40 to eliminate a 3-year restriction on the term of source material licenses (there were no restrictions on the term of byproduct (Part 30) and special nuclear material licenses (Part 70)). The Commission indicated, in the notice of proposed rulemaking, dated December 22, 1966, associated with this rule, that if the proposed amendment to eliminate the 3-year restriction were adopted, licenses would be issued for 5-year terms, except in cases where the nature of the applicant's proposed activities indicates a need for a shorter license period. The Commission believed, at that time, that there was little justification for granting Parts 30, 40, and 70 licenses for terms of less than 5 years in view of: (a) cumulative experience up to that time; and (b) means available to the Commission to suspend, revoke, or modify such licenses if public health and safety or environment so required. Licenses have been issued for 5-year terms since 1967.

In March 1978, NMSS conducted a study (SECY-78-284, "The License Renewal Study for Parts 30, 40 and 70 Licenses") to consider changing the 5-year renewal period for Parts 30, 40, and 70 licenses. The study concluded, in part, that the Commission should continue its practice of issuing specific licenses for 5-year terms, and retain an option to write licenses for shorter terms, if deemed necessary for new types of operations not previously licensed, or for other types of operations where circumstances warrant. The study also showed that experience obtained since 1967 indicated that an extension of the renewal period significantly beyond 5 years would result in a large number of licenses that would not reflect the licensees' current programs nor current NRC policies and regulations. However, the staff did not at that time preclude a license term greater than 5 years.

In 1985, NRC issued a notice of proposed rulemaking (Federal Register, 50 FR 30616, July 26, 1985) to revise 10 CFR Part 35, "Medical Use of Byproduct Material." The proposed rulemaking indicated that the Commission had selected a term of 5 years for a license. It was believed that a shorter term would not benefit health and safety because past experience indicated that medical programs did not generally change significantly over that period of time. The notice also indicated that a longer term may occasionally result in unintentional abandonment of the license. On October 16, 1986, NRC issued the final rule (Federal Register, 51 FR 36932), that consolidated and clarified essential radiation safety requirements related specifically to the medical use of byproduct materials. The Supplementary Information issued with the final rule did not contain any further discussion on the term of the license.

In 1990 (Federal Register, 55 FR 24948), the Commission gave notice that the license term for major operating fuel cycle licensees (i.e., licenses issued pursuant to 10 CFR Parts 40 or 70) would be increased from a 5-year term to a 10-year term, on the next renewal of the affected licenses. This change was implemented to enable NRC resources to be used to make improvements in the

licensing and inspection programs. The bases for this change were that major operating fuel cycle facilities had become stable in terms of significant changes to their licenses and operations, and that licensees would be required to update the safety demonstration sections of their licenses every 2 years.

On July 2, 1996, the Commission approved the staff's proposal to extend the license term for uranium recovery facilities from the current 5-year period to a 10-year period. Extending the license terms for uranium recovery facilities would reduce the administrative burden associated with the license renewal process for both NRC staff and the uranium recovery licensees; reduce licensee fees; bring the license term for these facilities to regulatory schedules more commensurate with their level of risk; and serve to support NRC's goal of streamlining the licensing process. Licensees were informed by letter of the extensions, in July 1996.

ATTACHMENT 2

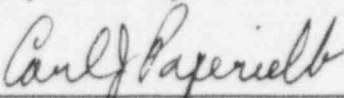
RULEMAKING PLAN FOR
AMENDMENT OF 10 CFR PART 35

RULEMAKING PLAN FOR
AMENDMENT OF 10 CFR PART 35,
MEDICAL USE OF BYPRODUCT MATERIAL

Lead Office: NMSS

Staff Contacts: Cathy T. Haney, Diane S. Flack, Operations Branch

Concurrences:


C. Paperiello, NMSS

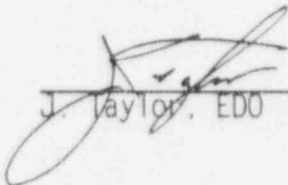
concur by memo dtd 8/9/96
D. Morrison, RES

concur by e-mail dtd 7/31/96
J. Lieberman, OE

concur by memo dtd 8/6/96
R. Bangart, OSP

no legal objection 11/14/96
S. Treby, OGC

Approval:


J. Taylor, EDO

RULEMAKING PLAN FOR
AMENDMENT OF 10 CFR PART 35,
MEDICAL USE OF BYPRODUCT MATERIAL

A. REGULATORY ISSUE

The practice of issuing materials licenses for a 5-year term has been in effect since 1967. In 1990, the Commission gave notice that the license term for major operating fuel cycle licensees (i.e., licenses issued pursuant to 10 CFR Parts 40 or 70) would be increased to a 10-year term. The term of other material licenses has been reviewed on several occasions over the years, most recently when the Commission published a final rule in 1996 that granted, on a one-time basis, a 5-year extension of the expiration date for certain byproduct, source, and special nuclear material licenses. In addition, on July 2, 1996, the Commission approved the staff's proposal to extend the license term for uranium recovery facilities from the current 5-year period to a 10-year period.

As indicated, the term for most material licenses has been set by practice. The only exception is the term for a license for medical uses of byproduct material. In 1985, the NRC issued a Notice of Proposed Rulemaking (Federal Register, 50 FR 30616, July 26, 1985) to revise 10 CFR Part 35, "Medical Use of Byproduct Material." The proposed rulemaking indicated that the Commission had selected a term of 5-years for a license. It was believed that a shorter term would not benefit health and safety, because past experience indicated that medical programs did not generally change significantly over that period of time. The notice also indicated that a longer term may occasionally result in unintentional abandonment of the license. On October 16, 1986, the NRC issued the final rule (Federal Register, 51 FR 36932), that consolidated and clarified essential radiation safety requirements related specifically to the medical use of byproduct materials. The final rule did not contain any further discussion on the term of the license. Staff is proposing a rulemaking to revise Part 35 to remove the reference to the 5-year term in 10 CFR 35.18 for medical licenses so that the term for medical licenses will be consistent with that of other materials licenses.

Staff has recently requested Commission approval to extend the license term for non-medical materials licenses from 5 years to 10 years. Subsequent to Commission approval there will be an inconsistency between the license terms for medical and non-medical licenses. The staff believes that the license duration period can be extended without adverse impact on public health and safety such as an increase in the unintentional abandonment of licensed materials or a decrease in the licensee's attention to licensed activities since licensees will continue to be required to adhere to the regulations and their license conditions, and to apply for a license amendment for certain proposed changes to their program. In addition, no changes in either the frequency or elements of the materials inspection program are being proposed.

B. CURRENT RULE REQUIREMENTS

Section 35.18 currently states that the, "Commission shall issue a license for the medical use of byproduct material for a term of 5 years."

C. ALTERNATIVES FOR RESOLUTION

Based on the above, the following options were considered.

1. Take no action: Maintain the requirement that licenses issued pursuant to 10 CFR Part 35 would be issued for 5 years.

This option would continue an inconsistency between how license terms for medical licenses, and all other materials licenses are established. The former are established in codified regulations, whereas the latter are set by practice. Also, this option would result in disparities in the duration of materials licenses in that medical use licenses would continue to be issued for 5-year terms while duration of other materials licenses would be 10 years.

2. Revise 10 CFR 35.18: Revise the regulations to delete any reference to the license term for licenses issued pursuant to 10 CFR Part 35.

This option would result in consistency between how license terms for medical licenses and all other materials licenses are established and in the duration of such licenses. Commission decisions regarding the duration of a materials license would therefore apply uniformly to all types of licenses. After Commission approval of staff's proposal to extend the license term for non-medical licenses to 10 years and final rulemaking action to revise 10 CFR 35.18, the license term for licenses issued pursuant to 10 CFR Part 35 will be 10 years.

D. HOW THE REGULATORY PROBLEM WILL BE RESOLVED BY RULEMAKING

The rulemaking would remove the 5-year term for licenses for the medical use of byproduct material stated in 10 CFR 35.18. There is no reference to a specific term for other licenses issued under 10 CFR Parts 30, 40, and 70. Removal of this reference to a 5-year license term would enable the license term for medical use of byproduct material to be set by practice, as is the case with the other material licenses.

E. ASSESSMENT OF LIKELY IMPACTS ON LICENSEES AND COST EFFECTIVENESS

The license renewal process is resource-intensive for both the licensee and the Commission. At the time of license renewal, the licensee submits to the Commission any changes in operations, personnel, facility, equipment, or applicable procedures. Because NRC is in contact with the licensees on an

ongoing basis, many of these changes are identified during the inspection and license amendment process. In addition, most of the technologies are stable, licensed activities are state-of-the-art, and operations are not expected to change much over the next several years in any way that would have a significant regulatory impact. Therefore, the rulemaking to remove the 5-year license term for medical use of byproduct material would not change the health and safety requirements imposed on licensees.

If the reference to the 5-year term in 10 CFR 35.18 is removed, and if Commission approval is given to extend the license term to 10-years for all material licenses issued pursuant to Parts 30, 40, and 70, there would be a reduction in the regulatory burden for approximately 2,000 NRC licensees that use byproduct material for medical procedures. This reduction can be estimated based on savings that will occur over a 10-year period since licensees will only be required to submit one renewal application every 10 years. Assuming, at a minimum, that it takes a licensee 10 hours of professional time to prepare the renewal application and the average professional rate for NRC-licensed activities is \$120 per hour, the savings to the medical industry would be \$2.4 million. However, medical licensees may need to submit an average of one additional amendment during the 10-year period to account for changes in operations that would have routinely been addressed when the license was renewed on a 5-year cycle. In order to account for this, it is assumed that: (1) a minimum of 2 hours of professional time is needed to prepare the license amendment; (2) each medical licensee will amend its license once to account for the changes in operations; and (3) the 1996 amendment fee of \$440 for a medical license would remain constant. Based on this calculation, the additional cost burden to medical licensees to prepare the additional amendment would be \$1.4 million. This results in a total industry savings of \$1.0 million over a 10-year period.

This rulemaking would also be cost-effective to NRC, because fewer resources will be required to review and process the renewal applications. On the average, it takes approximately 14 hours of professional time to renew a medical license which will be partially offset by the need for one additional amendment per licensee that will take approximately 4 hours of professional time to review. It is estimated that the net resource savings in this area could approach 14 FTE over a 10-year period.

F. OFFICE OF THE GENERAL COUNSEL LEGAL ANALYSIS

The proposed rulemaking would remove the reference to a 5-year term for medical use licenses that is in 10 CFR 35.18. There is no reference in 10 CFR Parts 30, 40, and 70 to a specific term for materials licenses issued under those parts. Removal of the reference to a license term in Part 35 would result in the license term for medical use licenses being set by practice, as is the case with other materials licenses. OGC has reviewed the rulemaking plan and no legal impediments to promulgation of a rule drafted along the lines discussed in the plan is anticipated. OGC has not identified any environmental or Paper Work Reduction Act issues that would present difficulties in pursuing the proposed course of action.

G. BACKFIT ANALYSIS

The backfit rule, 10 CFR 50.109, does not apply to this rule and therefore a backfit analysis is not required because the amendment does not involve any provisions that would impose backfits, as defined in 10 CFR 50.109(a)(1).

H. AGREEMENT STATE IMPLEMENTATION PROBLEMS

No problems have been identified to date regarding Agreement State implementation of this rule change. Section 35.18 is a Division 3 requirement for purposes of NRC and Agreement State compatibility requirements. Division 3 rules apply to a number of the provisions, in NRC regulations, that would be appropriate for Agreement States to adopt, but which do not require any degree of uniformity between NRC and State rules. Such rules relate to areas that are strictly matters between the regulatory agency and the regulatory community within its jurisdiction.

I. SUPPORTING DOCUMENTS

A Regulatory Analysis will be done to ensure that this rulemaking is cost-effective to licensees, NRC, and State and local governments, and is consistent with providing the necessary protection for public health and safety and the environment. No Environmental Assessment will be needed because the rulemaking is covered by the categorical exclusion in 10 CFR 51.22 (c)(3)(i) for amendments to Part 35 that relate to renewals of licenses. The Office of Management and Budget analysis of the collection of information under 10 CFR 35.18 will be revised to reflect the reduced burden on NRC licensees, if the term of material licenses is increased to 10 years. No regulatory guides will be necessary for this rulemaking.

J. RESOURCES REQUIRED

The estimated resources to complete this rulemaking would be about 0.3 staff year. Approximately 80 percent of this effort would come from the Office of Nuclear Material Safety and Safeguards (NMSS) and about 20 percent would be divided among the Offices of Nuclear Regulatory Research (RES), Administration (ADM), General Counsel (OGC), and State Programs (OSP). No contractor support dollars will be expended.

No additional resources are anticipated to implement the rule. In fact, a 10-year renewal term for material licenses should result in a reduction of resources required for the license renewal process, allowing additional NRC resources to be used for making improvements in the licensing and inspection programs and additional licensee resources to be used in protection of health, safety, and the environment.

A copy of the rulemaking concurrence package will be forwarded to the Office of the Controller for coordination of resource issues per the Executive Director for Operations (EDO) Memorandum of June 14, 1991.

K. LEAD OFFICE STAFF AND STAFF FROM SUPPORTING OFFICES

NMSS	Cathy T. Haney, Diane S. Flack
RES	Sam Jones, Tony Tse
OGC	Marjorie U. Rothschild
ADM	Michael T. Lesar

L. STEERING GROUP/WORKING GROUP

No steering group will be used on this rulemaking. The working group is identified above.

M. ENHANCED PUBLIC PARTICIPATION

This rulemaking will use the FedWorld Bulletin Board to notify the public that a proposed rule is being issued. The public will have the opportunity to comment on the proposed rule after it is published in the Federal Register.

On September 8, 1995 (Federal Register, 60 FR 46784), the Commission published a proposed rule that would grant, on a one-time basis, a 5-year extension of the expiration date for certain byproduct, source, and special nuclear material licenses. This notice also solicited comments from the public on the appropriate duration for material licenses. These comments will be taken into consideration during this rulemaking, because many of the commenters provided specific comments on the appropriate duration of material licenses.

N. EDO OR COMMISSION ISSUANCE

This rulemaking action, which is limited to deleting the reference in 10 CFR 35.18 to a 5-year license term, does not constitute a significant question of policy and, therefore, falls within the rulemaking authority delegated to EDO, in accordance with paragraph 0213 of Management Directive 9.17.

O. SCHEDULE

Approval by the EDO of the Rulemaking Plan to initiate rulemaking	TBD
Proposed rulemaking package for Office concurrence	TBD + 2 months
Proposed rulemaking package to the EDO	TBD + 3 months
Proposed rule published	TBD + 4 months
Public comment period ends	TBD + 6 months
Final rule to EDO	TBD + 8 months

Reasons License Terms Were Not Extended in
Response to Federal Register, 61 FR 1109

On September 8, 1995 (Federal Register, 60 FR 46784) the Commission published a proposed rule that would grant, on a one-time basis, a 5-year extension of the expiration date for certain byproduct, source, and special nuclear material licenses. The rule was published in final form on January 16, 1996 (Federal Register, 61 FR 1109). As a result of the one-time extension of license terms in 1995, 5655 licenses out of 6297 licenses were extended. The licenses that were not extended (642) did not meet all the conditions listed in the Federal Register notice. (Note, in some cases, licenses were not extended for more than one reason and, accordingly the following table does not equal 642.)

Number of Licenses by Criteria, That Were Not Extended
Under the One-Time License Extension Efforts

Criteria for Not Extending Licenses	Number of Licenses to Which Criteria Apply
Required Emergency Plan	18
Required Financial Assurance	41
SDMP*	27
Renewal Requires Environmental Assessment	16
Possession of Critical Mass of SNM**	11
No Prior NRC Inspection	195
Compliance History	91
License Expired before 7/1/95	310

* SDMP - Site Decommissioning Management Plan

** SNM - Special nuclear material

U.S. NUCLEAR REGULATORY COMMISSION (NRC)
10-Year License Terms for Materials Licensees

ACTION: Notice

SUMMARY: Notice is hereby given that the license term for materials licenses issued pursuant to 10 CFR Part 30,* "Rules of General Applicability to Domestic Licensing of Byproduct Material"; Part 40, "Domestic Licensing of Source Material"; and Part 70, "Domestic Licensing of Special Nuclear Material"; will be increased from the current 5-year period to a 10-year period on the next renewal of the affected licenses with the exception of licenses issued pursuant to Part 35. The license term for licenses issued pursuant to Part 35 are established by regulation and must be revised by rulemaking. The 5-year term for licenses other than those issued pursuant to Part 35 has been a matter of practice (see 31 FR 16367, December 22, 1966, and 32 FR 7172, May 12, 1967); the license term is not codified in the regulations.

Over the past several years, the regulatory regime applicable to materials licensees has become more stable and predictable. NRC now has extensive experience in uniform application of health and safety regulations to materials licensees. NRC has developed specific regulatory criteria for materials users in various areas. For example, NRC has revised or amended specific regulations in the following areas: industrial radiography, medical use, irradiators, and well-logging. In addition, NRC has recently revised its regulations regarding the standards for protection against radiation, to make them more compatible with international health and safety standards.

NRC has concluded that the term for materials licenses can be increased from 5 to 10 years, with no adverse effect on public health, safety, or the environment. This conclusion is based on the existence of the mature regulatory regime currently in place. NRC's current practice of routinely being in contact with licensees through inspections, license amendments, and annual fee-billing procedures provides further support for increasing the term of materials licenses.

Although NRC is announcing its expectation that materials licenses will be issued for 10-year terms, NRC may issue licenses for shorter terms depending on the individual circumstances of license applicants.

*Reference to Part 30 is intended to include 10 CFR Part 33, "Specific Domestic Licenses of Broad Scope for Byproduct Material"; Part 34, "Licenses for Radiography and Radiation Safety Requirements for Radiographic Operations"; Part 35, "Medical Use of Byproduct Material"; Part 36, "Licenses and Radiation Safety Requirements for Irradiators"; Part 39, "Licenses and Radiation Safety Requirements for Well Logging"; and any other regulations that are developed in the Part 30 series.

FOR FURTHER INFORMATION CONTACT: Catherine Haney, U.S. Nuclear Regulatory Commission, Office of Nuclear Material Safety and Safeguards, Washington, DC 20555, telephone (301) 415-7844.

Dated at Rockville, Maryland, this 18th day of November, 1996.

FOR THE NUCLEAR REGULATORY COMMISSION

A handwritten signature in cursive script, reading "Carl J. Paperiello".

Carl J. Paperiello, Director
Office of Nuclear Material Safety
and Safeguards

NRC EXTENDS LICENSE TERM
FOR MOST NUCLEAR MATERIAL LICENSEES

The U.S. Nuclear Regulatory Commission is extending the license term for most nuclear materials licensees from 5 years to 10 years.

The extension will reduce the administrative burden of license renewals for both NRC and the licensee and will support NRC's goal of streamlining the licensing process. It also will bring materials license durations into line with uranium mill licenses and other major facility licenses.

NRC may issue some licenses for shorter terms, if warranted by the individual circumstances of license applicants.

The current 5 year term is not set out in NRC's regulations in most cases. Thus the longer term will be implemented immediately, by NRC decision, for most new licenses and renewals. For licensed medical users of nuclear material, however, the 5 year term is established by regulation. For those licensees, NRC plans to develop a rule change that would permit the license term to be lengthened.

The Commission estimates that about 4000 licenses will be affected by the license-term change. These include, for example, universities that use radioactive materials in research; companies that use moisture density gauges, with radioactive material, in road construction, and other industrial users.

The extensions do not apply to nuclear power plant licenses, which are issued for a 40 year term.