



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

December 26, 1996

Mr. Roger K. Stevens, President  
Spectrum Techniques, INC.  
182 Midway Lane  
Oak Ridge, TN 37830

Dear Mr. Stevens:

I am responding to your letter of June 24, 1996, in which you requested clarification of the exemption in 10 CFR 30.13 for carriers and warehousemen as it applies to some of your customers and the October 31, 1996, telephone conversation between Mr. Stephen Holmes of this office and Mr. Larry Webb of Spectrum.

The regulations in 10 CFR 30.13 provide an exemption from the regulations in Parts 30 through 36 and 39, and the requirements for a license in Section 81, to carriers, freight forwarders, and the U.S. Postal Service to the extent that the transport or storage of byproduct material occurs in the regular course of carriage for another or storage incident thereto. This exemption is valid only during transportation of radioactive material and applies only to those entities who provide the transportation or storage along the way as part of their regular business or occupation.

As to your first question concerning your customers exporting exempt quantity sources, the requirements for a license in Part 30 are only for domestic distribution and use. Accordingly, your customers could receive exempt material under §30.18 and export them without a license under §32.18. Subsequently, an exemption under §30.13 would be irrelevant.

In answer to your question concerning shipment and sales for domestic customers, as stated above, the exemption in 10 CFR 30.13 is valid only during transportation of radioactive material and applies only to those entities who provide the transportation or storage along the way as part of their regular business or occupation. However, a company, such as a scientific catalog company, that purchases sources from Spectrum and then relabels the packages or consolidates several packages into a single shipment with other products before forwarding the items on to the final customer would be acting as a commercial re-distributor and not as a warehouse in the course of transportation. Therefore, the company would not be exempt from the requirements for a license as provided in §30.13 or §30.18. In order to distribute exempt quantity sources domestically, to persons exempt from licensing, the catalog company must obtain an exempt distribution license.

Please note that §30.18(d) prohibits a persons from commercially distributing exempt quantities of byproduct material, knowing or having reason to believe that such quantities will be transferred to persons exempt from licensing except in accordance with a license issued under 10 CFR 32.18 or

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any equivalent Agreement State regulations. Licensees with such knowledge or belief are expected to cease distribution until the appropriate distribution license has been obtained by the receiving entity. Again, this restriction does not apply to commercial transfers that are non-domestic.

If you have any further questions, please feel free to contact Stephen Holmes of this office at (301) 415-5799.

Sincerely,

Original Signed By:  
Steven L. Baggett

Steven L. Baggett, ~~Acting~~ Section Leader  
Medical, Academic, and Commercial  
Use Safety Branch  
Division of Industrial and  
Medical Nuclear Safety  
Office of Nuclear Material Safety  
and Safeguards

cc: Johnny Graves, State of Tennessee

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