

April 10, 2014

TO: Holders of NRC Materials Licenses (Identified in Enclosure 1) Authorized to Possess Category 1 and Category 2 Quantities of Radioactive Material and Required to Comply with 10 CFR Part 37

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

On March 19, 2013, the U.S. Nuclear Regulatory Commission (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 establishes security requirements on licensees possessing Category 1 and Category 2 quantities of radioactive material. As of March 19, 2014, affected licensees were to be in compliance with this rule.

The NRC had previously established increased controls, through license conditions or security orders (e.g., Compensatory Measures (CMs), Additional Security Measures (ASMs), "Order Imposing Increased Controls," and the "Order Imposing Fingerprinting and Criminal History Records Check Requirements for Unescorted Access to Certain Radioactive Materials"), on licensees possessing Category 1 and Category 2 quantities of radioactive materials. These increased controls were instituted to ensure the security of Category 1 and Category 2 quantities of radioactive materials.

The 10 CFR Part 37 rulemaking incorporates many of the security measures contained in the license conditions or orders received by licensees possessing Category 1 and Category 2 quantities of radioactive materials. Therefore, for NRC licensees, the increased controls license conditions and security orders were superseded by 10 CFR Part 37 on March 19, 2014, when NRC licensees were to be in compliance with the rule.

For Agreement State licensees that received an NRC security order issued under NRC's common defense and security authority, the order will remain in place until the effective date of compatible requirements issued by the Agreement State. All Agreement States are obligated to have 10 CFR Part 37 equivalent requirements issued by March 19, 2016. Each Agreement State will follow its own process for issuing these requirements, which will be reviewed by NRC for compatibility. Once the State has issued its requirements and they become effective, the NRC will concurrently rescind the NRC-issued orders through formal written correspondence. Agreement States will be responsible for rescinding Agreement State-issued orders, removing license conditions, or taking any other necessary action with respect to the Increased Controls and Fingerprinting security requirements they issued to their licensees' once compatible State requirements become effective. Once an Agreement State's compatible requirements are effective and security orders have been rescinded, Agreement State licensees should follow their respective State requirements. Additionally, beginning on March 19, 2014, Agreement State licensees that operate under reciprocity in areas of exclusive Federal jurisdiction must comply with the requirements of 10 CFR Part 37 for those activities in NRC jurisdiction and are subject to NRC inspection and enforcement under these requirements.

Accordingly, effective March 19, 2014, the NRC is rescinding the security orders for the following groups of licensees:

- Panoramic Irradiators: These orders, for certain panoramic and underwater irradiator licensees that possessed more than 370 TBq (10,000 Ci) of radioactive material, require the implementation of security measures and the protection of the licensee's physical protection information as Safeguards Information - Modified Handling (SGI-M).
- Manufacturers and Distributors (M&Ds): These orders, for certain manufacturing and distribution (M&D) licensees, require the implementation of security measures and the protection of the licensee's physical protection information as SGI-M.
- Licensees Transporting Radioactive Materials in Quantities of Concern (RAMQC): These orders require the implementation of ASMs and the protection of the licensee's transportation security planning as SGI-M.
- Recipients of Increased Controls (IC) Orders: These orders require licensees to implement enhanced security measures known as Increased Controls.
- Fingerprinting (separate orders issued for each group above): These orders were issued separately for access to and protection of safeguards information (SGI) and SGI-M for those licensees that received security orders or possessed information that required protection; as well as, for unescorted access to radioactive material in quantities of concern.

All of 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 Irradiators, M&Ds, and RAMQC contain sensitive information or SGI; therefore, those sections are not publicly available. The specific orders being rescinded are identified in Enclosure 2 to this letter.

Licensees that are in possession of orders and order-related documents that are designated as SGI or SGI-M, should ensure that all copies of those documents that contain safeguards information are destroyed, in accordance with the requirements for the protection of certain safeguards information found in 10 CFR §§73.22(i) and 73.23(i). NRC should be notified in writing under oath or affirmation, when these documents have been destroyed. These notifications can be sent to the Director, Office of Federal and State Materials and Environmental Management Programs, per 10 CFR §§37.7(a) and 37.7(b). Documents submitted to the NRC under oath or affirmation may be satisfied by using a notary public to authenticate oaths or affirmations and to certify that the information provided is correct and true. An alternate method for complying with the oath or affirmation requirement is presented in an NRC Regulatory Issue Summary (RIS) entitled "Requirements for Oath or Affirmation" (RIS-01-018, August 22, 2001), and available at the NRC's public Web site at <http://www.nrc.gov/reading-rm/doc-collections/gen-comm/reg-issues/2001/ri01018.html>. This method allows use of the following unsworn declaration to satisfy the oath or affirmation requirement:

I declare [or certify, verify, state] under penalty of perjury that the foregoing is true and correct.
Executed on [date] [Signature].

If you have any questions or concerns regarding 10 CFR Part 37 regulations, you can email Part37.Resource@nrc.gov. If you have specific questions regarding the rescission of NRC's security orders, you may contact Sarenee Hawkins at (301)415-7562 or Sarenee.Hawkins@nrc.gov.

Sincerely,

/RA/

Brian E. Holian, Director
Office of Federal and State Materials
and Environmental Management Programs

Enclosures:

1. List of Applicable Materials Licensees
2. Table of Specific Orders for Rescission

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DISTRIBUTION:

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OFFICE	FSME/MSSA	FSME/MSSA	FSME/MSSA	FSME/DWMEP	OGC - NLO
NAME	SHawkins	AGiantelli	LDudes	LCamper	ACoggins
DATE	03/14/2014	03/14/2014	04/03/2014	03/31/2014	04/02/2014
OFFICE	FSME(TechEd)	FSME			
NAME	PTressler for CPoland	BHolian			
DATE	04/04/2014	04/10 /2014			

OFFICIAL RECORD COPY

Applicable Materials Licenses

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

Will appear as above when mailed out...there will be a master list for internal purposes.

**Specific Orders Identified for Rescission for NRC Licensees,
Effective March 19, 2014**

Fingerprinting – Access to Materials

Issuance Date	Order No.	Title/Description	Recipients
10/17/2006	EA 06-248	Fingerprinting for access to materials	Irradiator Order Recipients
10/16/2012	EA-12-148		
10/17/2006	EA 06-250	Fingerprinting for access to materials	M&D Order Recipients
10/17/2006	EA 06-249	Fingerprinting for access to materials	RAMQC Order Recipients
06/05/2013	EA 13-041		
12/05/2007	EA-07-305	Order Imposing Fingerprinting and Criminal History Records Check Requirements for Unescorted Access to Certain Radioactive Material	Increased Controls Order Recipients
02/21/2008	EA 08-024		
11/23/2009	EA 09-205	Order Imposing Fingerprinting and Criminal History Records Check Requirements for Unescorted Access to Certain Radioactive Material	Power Reactor Licensees Undergoing Decommissioning

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

Issuance Date	Order No.	Title/Description	Recipients
08/21/2006	EA 06-155	Order Imposing Fingerprinting Requirements for Access to SGI	Irradiator, M&D, or RAMQC Recipients
10/04/2006	EA 06-242		
11/20/2007	EA 07-252		
06/18/2008	EA 08-162		
10/16/2012	EA 12-147		
06/05/2013	EA 13-040		

Increased Controls			
Issuance Date	Order No.	Title/Description	Recipients
11/14/2005	EA 05-090 (1 st mailing)	Order Imposing Increased Controls for Certain Radioactive Materials Licensees	Licensees possessing Category 1 or Category 2 quantities of radioactive material
12/22/2005; 05/09/2006	EA 05-090 (2 nd mailing)		
11/23/2009	EA 09-204	Order Imposing Increased Controls for Power Reactor Licensees Undergoing Decommissioning	Power Reactor Licensees Undergoing Decommissioning
Irradiator Order			
Issuance Date	Order No.	Title/Description	Recipients
06/06/2003	EA 02-249	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
08/17/2012	EA 12-170		
07/23/2013	EA 13-065		
M&D Order			
01/12/2004	EA 03-225	Order Issuing Additional Security Measures to Licensees Authorized To Manufacture or Initially Transfer Items Containing Radioactive Material for Sale or Distribution and Possess Certain Radioactive Material of Concern *(includes Fingerprinting for Access to Materials Requirements)	Licensees authorized to manufacture or initially transfer items containing radioactive material for sale or distribution
08/14/2008	EA 08-212*		

RAMQC (Transport) Order			
Issuance Date	Order No.	Title/Description	Recipients
07/19/2005; 12/16/2005; 03/10/2006	EA 05-006	Order Imposing Additional Security Measures on the Transportation of Radioactive Materials Quantities of Concern	Licensees authorized to possess and transfer items containing radioactive material quantities of concern
08/21/2008	EA 08-225*	*(includes Fingerprinting for Access to Materials Requirements)	
08/27/2013	EA 13-150*		
02/12/2007	EA 07-014		