



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

February 22, 2007

ALL AGREEMENT STATES, NEW JERSEY, PENNSYLVANIA, VIRGINIA

**OPPORTUNITY TO COMMENT ON PROPOSED RULE ON THE NUCLEAR MATERIALS
MANAGEMENT AND SAFEGUARDS SYSTEM (FSME-07-017)**

Purpose: To notify the Agreement States that a proposed rule on Regulatory Improvements to the Nuclear Materials Management and Safeguards System (NMMSS) was published in the Federal Register for public comment.

Contents: *Federal Register* Notice (72 FR 5348), copy of the proposed rule on Regulatory Improvements to the NMMSS.

Background: The NRC is proposing to amend its regulations related to licensee reporting requirements for source material and special nuclear material (SNM) to the NMMSS. The proposed amendments would lower the threshold of the quantities of SNM and certain source materials that require the submission of status reports to the NMMSS. Also, the amendments would make some modifications to the types of and timing of submittals of transaction reports to the NMMSS. The amendments would also require licensees to reconcile material inventory discrepancies that NRC identifies in the NMMSS database. The proposed amendments would reduce some regulatory burden by reducing the current reporting requirements related to the export of certain source material and SNM. However, the annual reporting requirement would be new requirements for licensees possessing 350 grams or less, of SNM. These amendments are needed to improve the accuracy of the material inventory information maintained in the NMMSS.

Under the "Policy Statement on Adequacy and Compatibility of Agreement State Programs" approved by the Commission on June 30, 1997, and published in the *Federal Register* on September 3, 1997 (62 FR 46517), this proposed rule would be designated Compatibility Category "NRC." The revisions to §§ 40.64, 72.72(a), 72.76, 72.78, 74.4, 74.13, 74.15, 150.16 and 150.17 are designated Compatibility Category "NRC," because these are areas of exclusive NRC authority. The following new sections, §§ 40.4, 72.3 and 150.13, are also designated Compatibility Category "NRC."

Although an Agreement State may not adopt program elements reserved to NRC, it may wish to inform its licensees of certain requirements via a mechanism that is consistent with the particular State's administrative procedure laws. This does not confer regulatory authority on the State.

NRC Point of Contact: If you have any questions regarding this correspondence, please contact me at 301-415-2325 or the individual named below. Please note the comment period on the proposed rule ends on **April 23, 2007**.*

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/RA/

Dennis K. Rathbun, Director
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and Rulemaking
Office of Federal and State Materials
and Environmental Management Programs

Enclosure:
As stated

* This information request has been approved by OMB 3150-0029, expiration 06/30/2007; OMB-3150-3150-0200, expiration 06/330/2009, and OMB-3150, expiration 09/30/2006. The estimated burden per response to comply with this voluntary collection is approximately 8 hours. Send comments regarding the burden estimate to the Records and FOIA/Privacy Services Branch (T-5F52), U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, or by Internet e-mail to infocollects@nrc.gov, and to the Desk Officer of Information and Regulatory Affairs, NEOB-10202 (3150-0029), Office of Management and Budget, Washington, DC 20503. If a means used to impose an information collection does not display a currently valid OMB control number, the NRC may not conduct a or sponsor, and a person is not required to response to, the information collection.

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