

October 15, 2003

ALL AGREEMENT STATES, MINNESOTA, PENNSYLVANIA

**REBASELINING THE NUCLEAR MATERIALS MANAGEMENT AND SAFEGUARDS SYSTEM (NMMSS) DATABASE (STP-03- 081)**

This letter provides information concerning the planned efforts by the U.S. Nuclear Regulatory Commission (NRC) to resolve the discrepancies noted in the Nuclear Materials Management and Safeguards System (NMMSS) database used by the NRC and the U.S. Department of Energy (DOE). Specifically we informed you about these discrepancies in an All Agreement States Letter, STP-02-071. As referenced in that letter there are requirements for certain NRC and Agreement State licensees to submit reports of inventories and transfers of specific quantities of nuclear material. Specifically, 10 CFR Part 150 and associated reporting instructions, requires the submittal of material transfer reports directly to the NRC whenever certain transfers of **Special Nuclear Material** under 10 CFR 150.16, or **Source Material** under 10 CFR 150.17 occur.

In October 2001, a DOE Inspector General Report, <http://www.ig.doe.gov/pdf/ig-0529.pdf>, noted a number of discrepancies in the NMMSS database which contains information on NRC and Agreement State licensees. As a result of that report, the NRC believes that NMMSS balances should be confirmed, and corrected as necessary, on the basis of a one time reporting of licensee material balances to NMMSS. This would be the first step toward restoring credibility to NMMSS account balances. For your information, details on the rebaselining plan are contained in NRC Bulletin 2003-04 issued on October 8, 2003. This bulletin may be accessed through ADAMS at: ML032760009 or on the NRC public website at: <http://www.nrc.gov/reading-rm/doc-collections/gen-comm/bulletins/2003/bl03004.pdf>.

Agreement State Radiation Control Programs are not required to inform their licensees of the 10 CFR Part 150 inventory and reporting requirements. However, if a licensee of the type described in the first paragraph should contact you requesting information on NRC inventory and/or reporting requirements, we would appreciate your referring them to the NRC NMMSS contacts listed below.

The DOE contractor working to resolve NMMSS discrepancies described in the above noted DOE-IG Report is NAC International, Inc. Staff from NAC may communicate directly with NRC and Agreement State licensees concerning reporting required information and/or the resolution of identified discrepancies. If contacted, we would also appreciate your cooperation and assistance in responding to questions from DOE or its contractor.

We thank you in advance for your cooperation on this matter. If you have any questions on NMMSS reporting, please contact one of the individuals named below.

STP-03-081

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NRC NMMSS CONTACTS: Larry Harris or Brian Horn

INTERNET: NMMSS@NRC.GOV

If you have any questions on this correspondence, please contact me or the individual named below.

POINT OF CONTACT: Lloyd Bolling  
TELEPHONE: (301) 415-2327

INTERNET: LAB@NRC.GOV  
FAX: (301) 415-3502

***/RA by Cardelia H. Maupin for/***

Paul H. Lohaus, Director  
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