

June 28, 2005

Mr. Richard W. Boyle, Chief
Radioactive Materials Branch
Office of Hazardous Materials Technology
U.S. Department of Transportation
400 Seventh Street, S.W.
Washington, D.C. 20590-0001

SUBJECT: FORWARDING INFORMATION CONCERNING TWO RADIOACTIVE
SOURCES IMPORTED FROM RUSSIA BY HALLIBURTON ENERGY
SERVICES

Dear Mr. Boyle:

Pursuant to Section IV of the 1979 Memorandum of Understanding between the U.S. Nuclear Regulatory Commission (NRC) and the U.S. Department of Transportation (DOT), I am forwarding several documents concerning Halliburton Energy Services' (Halliburton) import shipments of two radioactive sources from Russia. On February 8, 2005, the NRC Operations Center was notified by Halliburton that two radioactive sources were unaccounted for since October 9, 2004. NRC took several actions as a result of this notification, including notifying State and Federal resources. The package was eventually located and delivered to Halliburton in Houston, Texas, on February 14, 2005.

U.S. Congressman Markey sent a letter to NRC Chairman Nils Diaz on February 10, 2005, with several questions and statements related to security. Additionally, Chairman Diaz responded to Congressman Markey on May 18, 2005, and indicated that the NRC and the State of Texas (an NRC Agreement State) had taken several actions related to this shipment.

I have included a copy of Congressman Markey's letter, Chairman Diaz's response, the State of Texas and NRC inspection reports, and the Event Notification Report related to this shipment. As indicated in Chairman Diaz's letter, NRC staff will discuss this shipment at the next Information Exchange meeting between DOT and NRC, which is currently scheduled for June 29, 2005, and will address the carrier actions and offer to assist DOT on any additional issues associated with this shipment.

R. Boyle

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In the interim, should you have any questions regarding the attached, please contact David Pstrak of my staff at 301-415-8486.

Sincerely,

/RA/

E. William Brach, Director
Spent Fuel Project Office
Office of Nuclear Material Safety
and Safeguards

Enclosures:

1. Congressman Markey letter (February 10, 2005)
2. Chairman Diaz letter (May 18, 2005)
3. Texas Department of State Health Services Field Activity Report
4. U.S. NRC Inspection Report
5. Event Notification Report for February 9, 2005 (Event Number 41387)

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