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

September 28, 2005

Mr. Felix Killar
Nuclear Energy Institute
Suite 400
1776 I Street, NW
Washington, DC 20006-3708

SUBJECT: REVIEW OF INDUSTRY GUIDELINES RELATED TO ADDITIONAL SECURITY MEASURES ORDERS TO LICENSEES AUTHORIZED TO POSSESS AND TRANSFER ITEMS CONTAINING RADIOACTIVE MATERIAL QUANTITIES OF CONCERN

Dear Mr. Killar:

The U.S. Nuclear Regulatory Commission (NRC) issued Orders, dated July 19, 2005, modifying the licenses of material licensees, power reactor licensees, and research and test reactor licensees authorized to possess and transfer radioactive material quantities of concern (RAMQC). Licensees receiving the Orders were required to implement the additional security measures (ASMs) [Attachment 2 to the Orders]. The ASMs contained Safeguards Information - Modified Handling (SGI-M). Additionally, the list of materials licensees receiving the Orders [Attachment 1 to the Orders] was treated as Official Use Only (OUO).

While the Orders and associated ASMs were being developed, the Nuclear Energy Institute (NEI) Transportation Security Task Force (TSTF) developed a draft industry guidance document involving SGI-M to facilitate licensee implementation of the specific ASMs contained in the Orders. The NRC staff held meetings with the NEI TSTF specifically to discuss the draft implementing guidance. The Office of Nuclear Security and Incident Response (NSIR) staff also met on January 6, 2005, with NEI and other stakeholders (licensees, shipping companies, industry associations, States, and Federal agencies) to review and discuss the draft implementing guidance.

By letter dated September 8, 2005, NEI submitted a guidance document for use by licensees in implementing these Orders. The NRC staff has completed its review of NEI's document and has determined that it provides an acceptable method for licensee implementation of the ASMs, with changes. The NRC staff notified NEI of these changes by telephone conversations on September 9, 2005 and September 16, 2005. Enclosed are the guidance document with NRC comments included, [Attachment A] and a redline strikeout version [Attachment B]. As discussed in your letter, we understand that NEI intends to distribute its final implementation guidance document with the Attachment B changes incorporated, to your nuclear power reactor members who received the Order for their use in meeting the requirements of the ASM.

Upon separation of the Attachment A and B, this document is DECONTROLLED

Additionally, on July 11, 2005, NRC issued Regulatory Issue Summary (RIS) 2005-12. The RIS provides guidance on the transportation of RAMQC during various Threat Conditions.

Finally, I would note that the implementing guidance does not obviate the need for licensees to continue to meet and maintain the effectiveness of existing security measures taken in response to the events of September 11, 2001.

Please contact Rocky Foster (301-415-7670, rdf@nrc.gov), or Francis Young (301-415-6396, fiy@nrc.gov) if you have any questions on this matter.

Sincerely,

/RA/

Glenn M. Tracy, Director
Division of Nuclear Security
Office of Nuclear Security and Incident Response

Enclosures:
1. Attachment A: Final NEI RAMQC Implementation Guidance Document
2. Attachment B: Redline Strikeout NEI RAMQC Implementation Guidance Document

Additionally, on July 11, 2005, NRC issued Regulatory Issue Summary (RIS) 2005-12. The RIS provides guidance on the transportation of RAM QC during various Threat Conditions.

Finally, I would note that the implementing guidance do not obviate the need for licensees to continue to meet and maintain the effectiveness of existing security measures taken in response to the events of September 11, 2001.

Please contact Rocky Foster (301-415-7670, rdf@nrc.gov), or Francis Young (301-415-6396, fiy@nrc.gov) if you have any questions on this matter.

Sincerely,

(Original Signed by:)

Glenn M. Tracy, Director
Division of Nuclear Security
Office of Nuclear Security and Incident Response

Enclosures:
1. Attachment A: Final NEI RAMQC Implementation Guidance Document
2. Attachment B: Redline Strikeout NEI RAMQC Implementation Guidance Document

DISTRIBUTION:
Public DNS/MTWS R/F DNS R/F
NMSS R/F NRR R/F
* See previous concurrence

ADAMS Accession #ML052520210

OFC:	MTWS/DNS*	SC:MTWS*	D:NSPPD*	OGC*	D:DNS/NSIR*	D:NSIR	D:DNS/NSIR (signature)
NAME:	RFoster	MLayton	VOrdaz	JGoldberg	GTracy *(VLO)*	RZimmerman *(MFW)*	GTracy
DATE:	09/09/05	09/09/05	09/16/05	09/14/05	09/16/05	09/27/05	09/28/05

OFFICIAL RECORD COPY