

January 23, 2007

The Honorable Rick Boucher
Chairman, Subcommittee on Energy and Air Quality
Committee on Energy and Commerce
United States House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

The U.S. Nuclear Regulatory Commission (NRC) intends to publish a final rule, in the *Federal Register*, that will amend NRC's regulations, in 10 CFR Part 73, to implement requirements for the secure transfer of nuclear materials, as required by Section 656 of the Energy Policy Act (EPAAct) of 2005. The amendment will except certain licensees from provisions of Section 170I of the Atomic Energy Act (AEA), as amended.

Section 656 of the EPAAct requires NRC to establish a system of manifests and to require security background checks, related to transfer of nuclear materials, pursuant to an NRC import or export license, and to issue final regulations, within 1 year after passage of the EPAAct, regarding exceptions to the provisions of Section 170I of the AEA, as amended. An appropriate system for manifests already exists in U.S. Department of Transportation and NRC regulations. A comprehensive approach for security background checks is being included as part of NRC's planned rulemaking to implement Section 652 of the EPAAct. While the Section 652 rulemaking is being conducted, NRC has a regulatory framework for security background checks through a system of Orders regarding unescorted access to risk-significant sources of radioactive material. Therefore, the final rule that NRC is issuing at this time, consistent with Section 656(b) of the EPAAct, is limited to codifying exceptions that the staff has developed based on licensees not included in the system of Orders issued by NRC.

Sincerely,

/RA/

Rebecca L. Schmidt, Director
Office of Congressional Affairs

Enclosure:
Federal Register Notice

cc: Representative J. Dennis Hastert

January 23, 2006

The Honorable Rick Boucher
Chairman, Subcommittee on Energy and Air Quality
Committee on Energy and Commerce
United States House of Representatives
Washington, DC 20515

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Section 656 of the EPAAct requires NRC to establish a system of manifests and to require security background checks, related to transfer of nuclear materials, pursuant to an NRC import or export license, and to issue final regulations, within 1 year after passage of the EPAAct, regarding exceptions to the provisions of Section 170I of the AEA, as amended. An appropriate system for manifests already exists in U.S. Department of Transportation and NRC regulations. A comprehensive approach for security background checks is being included as part of NRC's planned rulemaking to implement Section 652 of the EPAAct. While the Section 652 rulemaking is being conducted, NRC has a regulatory framework for security background checks through a system of Orders regarding unescorted access to risk-significant sources of radioactive material. Therefore, the final rule that NRC is issuing at this time, consistent with Section 656(b) of the EPAAct, is limited to codifying exceptions that the staff has developed based on licensees not included in the system of Orders issued by NRC.

Sincerely,
ORIGINAL SIGNED BY:
Rebecca L. Schmidt, Director
Office of Congressional Affairs

Enclosure: *Federal Register* Notice
cc: Representative J. Dennis Hastert
Identical Letter sent to The Honorable Senator Thomas Carper with cc: to George V. Voinovich

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***See previous concurrence**

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January 23, 2007

The Honorable Thomas Carper
Chairman, Subcommittee on Clean Air
and Nuclear Safety
Committee on Environment and Public Works
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

The U.S. Nuclear Regulatory Commission (NRC) intends to publish a final rule, in the *Federal Register*, that will amend NRC's regulations, in 10 CFR Part 73, to implement requirements for the secure transfer of nuclear materials, as required by Section 656 of the Energy Policy Act (EPAcT) of 2005. The amendment will except certain licensees from provisions of Section 170I of the Atomic Energy Act (AEA), as amended.

Section 656 of the EPAcT requires NRC to establish a system of manifests and to require security background checks, related to transfer of nuclear materials, pursuant to an NRC import or export license, and to issue final regulations, within 1 year after passage of the EPAcT, regarding exceptions to the provisions of Section 170I of the AEA, as amended. An appropriate system for manifests already exists in U.S. Department of Transportation and NRC regulations. A comprehensive approach for security background checks is being included as part of NRC's planned rulemaking to implement Section 652 of the EPAcT. While the Section 652 rulemaking is being conducted, NRC has a regulatory framework for security background checks through a system of Orders regarding unescorted access to risk-significant sources of radioactive material. Therefore, the final rule that NRC is issuing at this time, consistent with Section 656(b) of the EPAcT, is limited to codifying exceptions that the staff has developed based on licensees not included in the system of Orders issued by NRC.

Sincerely,

/RA/

Rebecca L. Schmidt, Director
Office of Congressional Affairs

Enclosure:
Federal Register Notice

cc: Senator George V. Voinovich