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UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PA 19406-1415

June 8, 2009

TO: ALL NRC MATERIALS LICENSEES AUTHORIZED TO CONDUCT LICENSED ACTIVITIES IN THE STATE OF NEW JERSEY

SUBJECT: PROPOSED AGREEMENT WITH THE STATE OF NEW JERSEY

Dear Licensee:

As you are probably aware, the State of New Jersey intends to enter into an Agreement with the U.S. Nuclear Regulatory Commission (NRC) such that the NRC will relinquish to the State of New Jersey regulatory authority for certain licenses for byproduct, source, and special nuclear materials. It is anticipated that the Agreement will become effective on or about September 30, 2009.

To assist you in understanding this proposed change in regulatory authority, the following conditions will apply on the effective date of the Agreement:

1. As an NRC materials licensee (other than as described in Item 3. below) located in and/or authorized to conduct licensed activities only in the State of New Jersey, your existing NRC license will be transferred to New Jersey. The NRC license will be converted to a State of New Jersey license at the time of next renewal, amendment, or as determined by the State.

2. As an NRC materials licensee located in the State of New Jersey and authorized to conduct licensed activities in non-Agreement States (i.e., States regulated by the NRC), one of two situations may exist:

   a. If your NRC license authorizes activities in the State of New Jersey and at one or more **permanent locations** in any non-Agreement State (e.g., Delaware, West Virginia, etc.) or Federal facility, upon the effective date of the Agreement, you will be issued two licenses. Your current NRC license will be amended to remove the State of New Jersey location (leaving those locations that authorize activities in non-Agreement States and/or Federal facilities even if they are located in New Jersey), and you will be issued a new license by NRC authorizing activities only in New Jersey. There will be no fee assessed for these actions; however, you will continue to be assessed annual fees to maintain the NRC license. The State of New Jersey will also charge you fees for the license authorizing activities in the State. The expiration date of both licenses will remain the same; the license

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authorizing activities in New Jersey will be converted to a State of New Jersey license at the time of the next renewal, amendment, or as determined by the State.

b. If your NRC license authorizes activities in the State of New Jersey and at **temporary job sites** in non-Agreement States and/or Federal facilities, you will be given the opportunity to declare to our office whether or not you need both State of New Jersey and NRC licenses. If you want to maintain an NRC license, our office will amend your NRC license for temporary jobsites only in non-Agreement States, and we will issue a new license authorizing licensed activities in New Jersey only. There will be no fee assessed for these actions; however, you will continue to be assessed annual fees to maintain the NRC license. The State of New Jersey will also charge you fees for the license authorizing activities in the State. The expiration date of both licenses will remain the same; the license authorizing activities in New Jersey will be converted to a State of New Jersey license at the time of the next renewal, amendment, or as determined by the State.

If you determine that due to limited work activities in NRC-regulated states and/or Federal facilities you do not need an NRC license, we will amend your existing NRC license to delete authorization for temporary job sites in non-Agreement States and/or Federal facilities. The license will then only authorize work activities in the State of New Jersey. After the Agreement is effective, you can conduct work at temporary job sites in non-Agreement States pursuant to 10 CFR 150.20 (i.e., reciprocity). However, please be aware that reciprocity is only allowed for a maximum of 180 days in any calendar year. You are required to file NRC Form 241 for reciprocity with the NRC whenever your work brings you into NRC jurisdiction, or into areas of Exclusive Federal Jurisdiction within an Agreement State. The current application fee for reciprocity is $1,400 per calendar year.

If your NRC license is as described in Item 2.b of this letter, please respond in writing within 30 days of the date of this letter and provide your plans for possessing, upon the effective date of the Agreement, both an NRC license and a State of New Jersey license or only a State of New Jersey license. Please mail your response to:

U.S. Nuclear Regulatory Commission
Division of Nuclear Materials Safety
Licensing Assistance Team
475 Allendale Road
King of Prussia, PA 19406

3. All licenses issued by the NRC to Federal Government agencies, or licenses authorizing the possession of special nuclear material in quantities sufficient to form a critical mass, or licenses authorizing exempt distribution, will remain under NRC jurisdiction.

4. If you believe you have a license situation outside of the above categories, please contact the NRC individuals listed at the end of this letter.

NARM Waiver Expiration and Impact on New Jersey Agreement

The Energy Policy Act of 2005 (EPAct) authorizes the NRC to regulate naturally-occurring and accelerator-produced radioactive material (NARM). Many States regulated this material under their existing State radiation programs. The NRC issued a time-limited waiver to allow the continued use of NARM under State regulatory authority until the NRC could codify new regulations for these materials.

The time-limited waiver will expire on August 7, 2009, and New Jersey's approximately 500 NARM licensees will be under NRC jurisdiction until the effective date of the Agreement, which is anticipated to occur on or about September 30, 2009. As of August 8, 2009, all persons that possess NARM must be in compliance with NRC regulations, including reporting and recordkeeping requirements. Individuals who possess an NRC license have 6 months to apply for license amendments for activities not already authorized on their license or 12 months to apply for a new license if they do not already possess an NRC license. Please note that if you did not use/possess NARM prior to termination of the time-limited waiver, you will need to receive a new license or an amendment to your current license for use/possession of NARM. The NRC will prioritize review of requests for license amendments or new licenses involving NARM during the time period that NRC maintains jurisdiction with actions necessary to ensure public health and safety or those related to security receiving highest priority. If the NRC is unable to complete a review prior to the effective date of the Agreement, we will transfer the requests to New Jersey for appropriate action. During the time period that NRC maintains jurisdiction over NARM, we request that in addition to reporting all events to NRC, licensees also report NARM-related events to New Jersey.

For your information, communications with the State of New Jersey should be addressed to:

Ms. Patricia Gardner, Manager
Bureau of Environmental Radiation
Division of Environmental Safety & Health
Department of Environmental Protection
P.O. Box 415
Trenton, NJ 08625-0415
Telephone: (609) 984-5400

If you have any questions regarding this letter, please contact either of the Region I State Agreements Officers, James Kottan at (610) 337-5214 or Donna Janda at (610) 337-5371.

Sincerely,

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John D. Kinneman, Director
Division of Nuclear Materials Safety