

**MEMORANDUM OF AGREEMENT
BETWEEN THE
DEFENSE TRANSPORTATION TRACKING SYSTEM
AND
THE U.S. NUCLEAR REGULATORY COMMISSION**

1. Purpose. Delineates the terms and conditions of this Memorandum of Agreement (MOA) between United States Nuclear Regulatory Commission (NRC) and the Military Surface Deployment and Distribution Command (SDDC), as the DOD-designated agent and Program Manager (PM) for the Defense Transportation Tracking System (DTTS). The DTTS Operations Center located at the Norfolk Naval Base, Virginia, assumes responsibility for motor surveillance tracking and monitoring of certain shipments made by NRC licensee(s).

2. Effective Date.

a. The latest dated signature to this Memorandum of Agreement (MOA) shall be the effective date and the agreement shall remain in effect through 30 September 2009, or until amended by written mutual consent.

b. Requests for revision will be forwarded by one party to the other by written notice at least 60 days prior to implementation. Modification to the agreement, or portions thereof, will be effective upon written approval of both parties. Administrative changes may be made at any time by correcting the existing document or by attaching an addendum to the agreement; the relevant parties must initial changes. A complete review of the MOA must be performed only when changing conditions or circumstances may require substantial changes or the development of a new agreement.

c. Notification of the intention of either party to terminate the agreement will be made by written notice to the other party at least 180 days in advance of the proposed date of termination.

3. General.

a. DTTS provides the capability for satellite monitoring and tracking of sensitive motor shipments of various commodities within the United States.

b. The NRC licenses individuals, corporations or other entities who use, possess or transport radioactive or nuclear materials for civilian uses. NRC licensees and/or the licensees' authorized agents will work directly with DTTS to meet the conditions of this agreement. Hereafter, the NRC licensee and/or the licensees' authorized agents will be referred to as the licensee. Pursuant to Executive Order 12958, as amended, NRC is authorized to establish controls (for its licensees) to ensure classified material is provided adequate protection from unauthorized access or use. Under this authority, NRC has identified DTTS as an appropriate system that can be used, in conjunction with other measures, to protect classified material during transport. The classified material shipments, while regulated by the NRC, belong to the NRC licensee.

4. NRC Licensee Responsibility. If an NRC Licensee chooses to use the DTTS monitoring system, then the licensee must:

a. Utilize DTTS approved motor transportation carriers for the transport of designated shipments. All carriers must comply with requirements set forth by SDDC satellite monitoring rules and be equipped with DTTS-approved satellite surveillance equipment required for tracking of shipments. A potential carrier is subject to review by SDDC to determine if they are compliant with the satellite tracking requirements.

b. Place orders in the following manner:

(1) Orders for tracking services will be placed by officials of the licensee or their transportation carriers who are authorized by the licensee to place orders.

(2) Orders for tracking services will be placed by designating individual shipments to the DTTS. Each order must provide complete item identification data for the designated shipment and must make that data available in a form and manner, which the DTTS can accept. To the maximum extent practicable, the data should be provided to the DTTS through the DTTS Installation Transportation Officer (ITO) Website. When this is not possible, SDDC will make an alternate method available.

5. SDDC Responsibilities.

a. DTTS will be used to monitor designated motor shipments. DTTS personnel will possess confidential (RD) or higher security clearances.

b. Currently, it is anticipated that each licensee shipment will consist of a single truck or multiple trucks with a single destination. Each truck will be identified and entered into DTTS individually. In the event that the licensee utilizes a single truck with multiple destinations, each destination will be tracked as an individual shipment.

c. Position updates at 15 minute intervals will be automatically transmitted via satellite from equipment installed in contract carrier vehicles to the DTTS Operations Center, where they will be monitored by DTTS operations center personnel on a 24-hour 7-day basis. Monitoring will be performed to track location while the shipment is enroute and to ensure that shipments progress in a moving status unless otherwise indicated.

d. DTTS Operations Center shipment oversight personnel are responsible for identification and prompt reporting to the designated licensee POC of emergency and overdue situations in accordance with the procedures established in the Defense Transportation Tracking System Standard Operating procedures for emergency and Overdue situations.

6. Billing and Payment Provisions. The NRC will be billed a minimum annual fee for service predicated upon the quantity of anticipated NRC licensee shipments in the fiscal year. The DOD and NRC fiscal year begins on October 1 and ends on September 30 of the following year. The following procedures will be utilized:

a. By July 15 of each year, the NRC will provide the DTTS with a good faith estimate of anticipated NRC licensee shipments for the next fiscal year. This estimate will be expressed as

a projected number of shipments. If the NRC provides no estimate of anticipated shipments to the DTTS prior to the beginning of a DOD fiscal year, the DTTS will establish its own estimate of NRC licensee requirements based on a historical average.

b. Upon signature of this Memorandum of Agreement and subject to the availability of appropriated funds, NRC will execute a DD Form 448 or NRC Form 662, obligating funds for the estimate of FY 2007 shipment expenses. At the beginning of each subsequent fiscal year and subject to the availability of appropriated funds, NRC will amend the DD Form 448 or NRC Form 662 to obligate additional funding necessary for that fiscal year's expenses.

c. Upon receipt of NRC funding authority from DD Form 448 or NRC Form 662, DTTS will bill the NRC in advance for that fiscal year's estimated cost. Billings will be to NRC ALC #31000001 with payments made to DTTS in the same manner.

d. The DTTS PM will report the actual volume and associated cost of shipments to NRC at the end of each fiscal quarter. The NRC and DTTS will use this information to determine whether any funding or payment adjustments are required.

e. The annual minimum fee, beginning in FY07 will be \$5,000, subject to the availability of appropriated funds. DTTS will include this annual minimum fee as part of the advance billing to NRC via IPAC. The minimum fee will be in effect unless the annual shipments monitored by the DTTS exceed 100. The minimum annual fee is derived to cover all expenses associated with DTTS monitoring NRC licensees shipments. These costs include: actual shipment monitoring cost, annual user SOP training, NRC documentation maintenance, and DTTS/Comptroller management support.

f. The DTTS point of contact is:

HQ, Military Surface Deployment and Distribution Command (SDDC)
200 Stovall St.
Attn: SDDC-RM (Melinda Graves)
Alexandria, VA 22332-5000
Voice: (703) 428-2391 Fax: (703) 428-3374
Email: gravesm@sddc.army.mil

g. This agreement is subject to the availability of appropriated funds and other budgetary approvals.

POINTS OF CONTACT

NRC Emergency Point of Contact

Operations Center (24-hour operations) Phone: (301) 816-5100

DTTS Operations Center Point of Contact

Operations Center (24-hour operations) Phone: (800) 826-0794

NRC Program Manager – Division of Security Policy

Ms. Susan H. Bagley
U.S. Nuclear Regulatory Commission
Office of Nuclear Security and Incident Response
Two White Flint North (Mail Stop T-4D8)
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(301) 415-5378

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NRC Financial Point of Contact

Connie C. Schum, Team Leader
Financial Management Team
Program Management, Policy Development and Analysis Staff
Office of Nuclear Security and Incident Response

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SDDC Financial Point of Contact

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SDDC, DTTS Program Manager

Mr. Clay G. Carter, SDDC OPD
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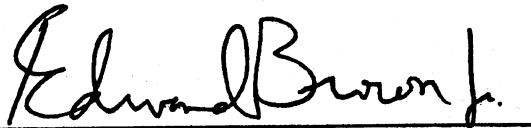
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SDDC, DTTS Operations Center – Operations & Quality Branch Chief

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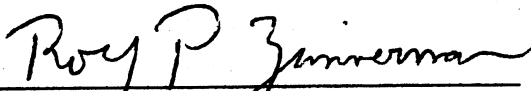
SIGNATURES



EDWARD BROWN JR.
Deputy G3
Military Surface Deployment and Distribution Command

20 Aug 07

Date



ROY P. ZIMMERMAN
Director
Office of Nuclear Security and Incident Response
U.S. Nuclear Regulatory Commission

9/10/07

Date