

POLICY ISSUE INFORMATION

October 29, 2010

SECY-10-0144

FOR: The Commissioners

FROM: Margaret M. Doane, Director
Office of International Programs

SUBJECT: RECENT STAFF OUTREACH REGARDING SPECIFIC LICENSE
REQUIREMENT FOR EXPORTS TO EMBARGOED DESTINATIONS

PURPOSE:

To inform the Commission of the staff's efforts to consider the need to develop guidance and to engage in further stakeholder interaction to ensure that general licensees understand the regulatory restrictions for exporting materials to embargoed destinations. This paper is provided to the Commission in response to the Staff Requirements Memorandum (SRM) dated June 9, 2010, (M100609A) and does not address any new commitments or resource implications.

DISCUSSION:

Over the past several months, the Office of International Programs (OIP) has engaged in numerous outreach efforts to address the specific license requirement for export to embargoed destinations listed in Title 10 of the *Code of Federal Regulations* (10 CFR) Part 110.28. Prior to the issuance of the June 9, 2010 SRM, OIP staff made a presentation at the Annual Nuclear

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Material Management and Safeguards System (NMMSS) Meeting on the proposed changes to 10 CFR Part 110 and emphasized the specific license requirement for exports to an embargoed destination. Following the issuance of the SRM, OIP's licensing staff identified and increased outreach to existing and potential exporters of Nuclear Regulatory Commission (NRC)-controlled nuclear materials and equipment. Staff has used routine meetings with applicants, licensees, and industry representatives to discuss the specific license requirements for exports to embargoed destinations. In addition, OIP staff developed guidance with input from the Office of the General Counsel, on the regulatory requirement for inclusion on the OIP export/import web page (enclosed). This guidance provides a succinct summary of the regulatory requirement for easy reference. The OIP staff has since received numerous questions from various parties related to the specific license requirement for exports to an embargoed destination.

In addition to individual stakeholder outreach, OIP included a discussion of this issue at several recent meetings and workshops. Most significantly, the NRC presented at the Department of Commerce, Bureau of Industry and Security's Annual Conference on August 31, 2010. This event is widely attended by the export industry, including manufacturers, transporters, brokers, and legal/regulatory affairs representatives. OIP also attended the Organization of Agreement States Annual Meeting in August as part of its outreach effort related to the recent publication of the final rule amending 10 CFR Part 110. As part of the outreach, OIP took the opportunity to discuss with Agreement State representatives, representatives of industry (including several NRC export licensees), and the Nuclear Energy Institute, the specific license requirement. A handout, based on the information added to the OIP web site, was developed to support the outreach effort.

Currently, OIP is developing an Information Notice (IN) or Regulatory Information Summary (RIS) that will address the specific license requirement for exports to embargoed destinations, and provide information on NRC's planned actions on unauthorized exports to embargoed destinations. An IIN or RIS will be effective at reaching many potential exporters. Also, OIP has used an IN to communicate a generic 10 CFR Part 110 licensing issue in the past. OIP will work with the Office of Federal and State Materials and Environmental Management Program as it did on the final rule amending Part 110 to ensure that the IN or RIS is also provided to the Agreement States.

OIP continues to seek opportunities to communicate this requirement with interested stakeholders. On November 18, 2010, Margaret M. Doane, Director of OIP will be presenting at a conference on Export Controls and the Nuclear Renaissance in Washington, DC. Scott Moore, Deputy Director, and Jill Shepherd, Licensing Officer will be presenting on behalf of OIP at the widely attended American Conference Institute's Advance Summit on Complying with Nuclear Export Controls on November 30 and December 1, 2010, in Washington, DC. They will be participating on panels on "The Fundamentals of Nuclear Export Control Regulations" and

“Obtaining Required Nuclear Licenses and Authorizations and Complying with Special Reporting Requirements.” Both of these panels provide a forum to discuss the specific licensing requirement for exports to embargoed destinations. Finally, OIP staff requested that a summary of this regulatory requirement be included in the next NMMSS Newsletter.

CONCLUSION:

OIP will continue to engage in stakeholder interaction to ensure that general licensees understand the regulatory restrictions for exporting materials to embargoed destinations. OIP will continue to emphasize that a specific license is required for all exports to embargoed destinations.

/RA/

Margaret M. Doane, Director
Office of International Programs

Enclosure:
As stated

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As stated

ACCESSION NUMBER: ML102930641

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