



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION III
2443 WARRENVILLE RD. SUITE 210
LISLE, IL 60532-4352

December 15, 2015

Mr. Jim McCain
RSO / Vice President
McNDT Pipeline, Ltd.
24154 S. Northern Illinois Dr.
P. O. Box 545
Channahon, IL 60410

SUBJECT: NRC RECIPROCITY FOR CALENDAR YEAR 2016

Dear Mr. McCain:

This letter is a reminder that each Agreement State licensee (licensee) seeking to conduct activities under reciprocity in areas of Exclusive Federal jurisdiction, non-Agreement States, or in offshore waters (reciprocity activities) under the general license established in Title 10 of the *Code of Federal Regulations* (CFR), Section 150.20, for the first time in a calendar year must submit a request containing certain information to the U.S. Nuclear Regulatory Commission (NRC). This general license authorizes persons holding a specific license from an Agreement State to conduct the same activity in areas of Exclusive Federal jurisdiction, non-Agreement States, or in offshore waters, if the specific license issued by the Agreement State does not limit the authorized activity to specific locations or facilities.

The authorization that you received in calendar year 2015 to work under reciprocity in NRC jurisdiction will expire on December 31, 2015.

If you request reciprocity under this general license, you must submit: (1) a filled out and signed NRC Form 241, "Report of Proposed Activities in Non-Agreement States, Areas of Exclusive Federal jurisdiction, or Offshore Waters;" (2) a copy of your Agreement State specific license; and (3) the fee specified in 10 CFR 170.31, Item No. 16, as required by 10 CFR 150.20(b)(1). **The current fee is \$1,900**, though this is subject to change. You can either fax this information to 630-515-1259 or scan and e-mail it to R3.reciprocity@nrc.gov. The NRC must receive this filing a minimum of 3 days before the licensee engages in reciprocity activities. For your information and use in filing for reciprocity, an electronic version of NRC Form 241 can be found on the NRC's website at <http://www.nrc.gov/reading-rm/doc-collections/forms/>.

As a reminder, the NRC has new regulations in 10 CFR Part 37 concerning security requirements for International Atomic Energy Agency (IAEA) Category 1 and 2 quantities of material. This includes sources that exceed 21.6 curies of iridium-192, 8.1 curies of cobalt-60, or 27 curies of cesium-137, among other isotopes. These sources include devices such as industrial radiography devices and irradiators. If you use these materials in NRC jurisdiction, you are required to follow these regulations. More information about this rule is available on the NRC's website at <http://www.nrc.gov/security/byproduct/10-cfr-part-37.html>. Each Agreement State will implement equivalent requirements no later than March 2016.

You do not have to obtain positive authorization from the NRC before performing activities requested on an NRC Form 241 that has been submitted to the NRC. If the NRC determines that the form contains omissions or errors, the NRC staff will contact you in an attempt to obtain the correct information. If the discrepancies cannot be resolved and you do not qualify for the general license, the NRC will inform you of this determination and indicate that you have not complied with the requirements of 10 CFR 150.20. In this case, you are not authorized to perform reciprocity activities and must cease any activities that have begun in NRC jurisdiction until the NRC resolves the discrepancies.

An area of Exclusive Federal jurisdiction is an area over which the Federal government exercises legal control without interference from the jurisdiction and administration of State law. If you are proposing to perform licensed activities on Federal property in an Agreement State, you must first determine the jurisdictional status of the area where you plan to work. If you are unsure about jurisdictional status of the work location on Federal land, you should contact the Federal agency that controls the facility where the work is to be performed. A written statement concerning the jurisdictional status is not required to file for reciprocity; however, you should obtain such a statement for reference and inspection purposes.

Under the general license, a general licensee conducting reciprocity activities is limited to a total of 180 days in any calendar year. Reciprocity activities conducted in offshore waters are not subject to the 180-day limit. The NRC tracks reciprocity usage on the basis of approved usage days. The NRC will not approve any activity under the general license that would exceed the 180-day limit. It is important that you track the days of use and submit changes to dates of work, when applicable. Storage of material in NRC jurisdiction is considered a reciprocity activity; days when material is stored and not used count toward the 180-day limit.

Licensees who perform activities using separate Agreement State licenses must submit separate reciprocity requests. For example, if a licensee has separate radiography and service licenses, and performs reciprocity work under both, the licensee must submit a separate NRC Form 241 and a separate payment for the initial filing for each license. The activities under reciprocity will be limited to 180 days separately for each license.

The NRC expects that you will review the information provided on NRC Form 241, as well as the regulations cited in 10 CFR 150.20(b), to ensure that your radiation safety program is in compliance with NRC regulations before conducting reciprocity activities.

If you perform reciprocity activities in NRC jurisdiction, you must conduct these activities in accordance with the conditions specified in your Agreement State license, representations made in NRC Form 241, and other rules, regulations, and orders of the NRC, now or hereafter in effect. Failure to file NRC Form 241 before performing under reciprocity or failure to comply with these regulations or to conduct your radiation safety program in compliance with NRC regulations while operating under reciprocity may result in NRC enforcement action. Such actions could include the issuance of a notice of violation, imposition of a civil penalty, or an order to take certain actions as described in the NRC Enforcement Policy, which is available on the NRC's Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>.

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Your reciprocity activities in NRC jurisdiction are subject to inspection by NRC personnel. As an Agreement State licensee operating under reciprocity, you must be aware of NRC requirements concerning your activities. Your lack of awareness of NRC requirements and applicable provisions will not prevent the NRC from taking appropriate enforcement action.

If you have any questions about the regulations or the application process, please feel free to contact Dennis O'Dowd, Region III reciprocity lead, at (630) 829-9573 or by e-mail at R3.reciprocity@nrc.gov.

Sincerely,

/RA/

Geoffrey M. Warren
Senior Health Physicist
Materials Inspection Branch
Division of Nuclear Materials Safety

Docket No. 150-00012
State of Illinois License No. IL-01875-01

J. McCain

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Geoffrey M. Warren
Senior Health Physicist
Materials Inspection Branch
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State of Illinois License No. IL-01875-01

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