



Douglas A. Ducey
Governor

Aubrey V. Godwin
Director



January 28, 2016

Scott Moore, Acting Director
Division of Materials Safety, State, Tribal and Rulemaking Programs
Office of Nuclear Material Safety and Safeguards (NMSS)
U.S. Nuclear Regulatory Commission, T8-E24
Washington, DC 20555-0001

Dear Mr. Moore:

Enclosed is a copy of the proposed license condition to address implementation of 10 CFR Part 37, Physical Protection of Byproduct Material. The legally binding requirements correspond to the following equivalent amendments to NRC's Regulations:

<u>Rats ID</u>	<u>Title</u>	<u>State Section</u>
2013-1	Physical Protections of Byproduct Material, Part 37	License Condition

We believe that adoption of these legally binding requirements satisfies the compatibility and health and safety categories established in the Office of Federal and State Materials and Environmental (FSME) Procedure SA-200.

If you have any questions, please feel free to contact me at (602) 255-4822 or Agodwin@azrra.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Aubrey V. Godwin".

Aubrey V. Godwin, M.S., CHP
Director
Arizona Radiation Regulatory Agency

Enclosures:
As stated

Electronically sent to: AgreementStateRegs.Resource@nrc.gov
Michelle.Beardsley@nrc.gov

Proposed License Condition

The licensee shall comply with Title 10 Code of Federal Regulations, Part 37 except as follows:

(a) §§ 37.1, 37.3, 37.7, 37.9, 37.11 (a-b), 37.13, 37.77(f), 37.105, 37.107, and 37.109 are excluded.

(b) Any reference to the Commission or NRC shall be deemed to be a reference to the Arizona Radiation Regulatory Agency, except:

(1) § 37.5 Definitions: Agreement State, Byproduct material, Commission, Fingerprint Orders, Person;

(2) § 37.25(b);

(3) § 37.27(a) and (c);

(4) § 37.29(a);

(5) § 37.71 referring to NRC's license verification system;

(6) § 37.71 "licensee of the Commission or an Agreement State" shall be deemed to be a reference to "licensee of the Arizona Radiation Regulatory Agency, NRC or an Agreement State."

(c) In lieu of the address given in § 37.27(c), licensees shall submit fingerprint cards or records to Director, Division of Facilities and Security, U.S. NRC, 11545 Rockville Pike, Rockville, Maryland 20852-2738, ATIN: Criminal History Program, Mail Stop T-03B46M.

(d) Reference in Part 37 to the following NRC regulation shall be deemed a reference to the identified section(s) in the Arizona Administrative Code, Title 12, Chapter 1.

NRC Regulation
10 CFR 30.41

Arizona Regulation
A.A.C. R12-1-318

(e) License required reports of events or notifications in §§ 37.41, 37.45, 37.57, 37.77(a)-(d), and 37.81, shall be sent to:

Arizona Radiation Regulatory Agency
4814 South 40th Street
Phoenix, Arizona 85040

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May 12, 1999 (Supp. 99-2). Amended by final rulemaking at 12 A.A.R. 75, effective February 7, 2006 (Supp. 05-4). Amended by final rulemaking at 15 A.A.R. 1023, effective August 1, 2009 (Supp. 09-2). Amended by final rulemaking at 20 A.A.R. 324, effective March 8, 2014 (Supp. 14-1).

R12-1-314. Expiration of License

Except as provided in R12-1-315(B), each specific license expires at the end of the day, in the month and year stated on the license.

Historical Note

Former Rule Section C.104; Former Section R12-1-314 repealed, new Section R12-1-314 adopted effective June 30, 1977 (Supp. 77-3). Former Section R12-1-314 renumbered to R12-1-315, new Section R12-1-314 renumbered from R12-1-313 effective February 18, 1994 (Supp. 94-1). Former Section R12-1-314 renumbered to R12-1-313; new Section R12-1-314 renumbered from R12-1-315 and amended by final rulemaking at 5 A.A.R. 1817, effective May 12, 1999 (Supp. 99-2).

R12-1-315. Renewal of License

- A. An applicant shall file an application for renewal of a specific license according to R12-1-308.
- B. If a licensee files a renewal application not less than 30 days before the license expiration date and the existing license and associated renewal application is in proper form, the existing license does not expire until a final renewal determination is made by the Agency.

Historical Note

Former Rule Section C.105; Former Section R12-1-315 repealed, new Section R12-1-315 adopted effective June 30, 1977 (Supp. 77-3). Amended effective December 20, 1985 (Supp. 85-6). Former Section R12-1-315 renumbered to R12-1-316, new Section R12-1-315 renumbered from R12-1-314 effective February 18, 1994 (Supp. 94-1). Former Section R12-1-315 renumbered to R12-1-314; new Section R12-1-315 renumbered from R12-1-316 and amended by final rulemaking at 5 A.A.R. 1817, effective May 12, 1999 (Supp. 99-2). Amended by final rulemaking at 12 A.A.R. 75, effective February 7, 2006 (Supp. 05-4).

R12-1-316. Amendment of Licenses at Request of Licensee

An applicant shall file an application for amendment of a specific license by complying with R12-1-308 and specifying the grounds for the amendment.

Historical Note

Former Rule Section C.106; Former Section R12-1-316 repealed, new Section R12-1-316 adopted effective June 30, 1977 (Supp. 77-3). Amended effective December 20, 1985 (Supp. 85-6). Former Section R12-1-316 renumbered to R12-1-317, new Section R12-1-316 renumbered from R12-1-315 effective February 18, 1994 (Supp. 94-1). Former Section R12-1-316 renumbered to R12-1-315; new Section R12-1-316 renumbered from R12-1-317 and amended by final rulemaking at 5 A.A.R. 1817, effective May 12, 1999 (Supp. 99-2).

R12-1-317. ARRA Action on Applications to Renew or Amend

In considering an application by a licensee to renew or amend a specific license, the Agency shall apply the criteria set forth in R12-1-309, R12-1-310, or R12-1-311 as applicable.

Historical Note

Former Rule Section C.107; Former Section R12-1-317

repealed, new Section R12-1-317 adopted effective June 30, 1977 (Supp. 77-3). Amended effective December 20, 1985 (Supp. 85-6). Former Section R12-1-317 renumbered to R12-1-318, new Section R12-1-317 renumbered from R12-1-316 effective February 18, 1994 (Supp. 94-1). Former Section R12-1-317 renumbered to R12-1-316; new Section R12-1-317 renumbered from R12-1-318 and amended by final rulemaking at 5 A.A.R. 1817, effective May 12, 1999 (Supp. 99-2).

R12-1-318. Transfer of Radioactive Material

- A. A licensee shall not transfer radioactive material except as authorized under this Section.
- B. Except as otherwise provided in the license and subject to the provisions of subsections (C) and (D), any licensee may transfer radioactive material:
 1. To the Agency; after receiving prior approval from the Agency;
 2. To the Department of Energy;
 3. To any person exempt from the rules in this Article to the extent permitted under the exemption;
 4. To any person authorized to receive radioactive material under terms of a general license or its equivalent, or a specific license or equivalent licensing document, issued by the Agency, the U.S. Nuclear Regulatory Commission, or any Agreement State or Licensing State, or to any person otherwise authorized to receive radioactive material by the Federal Government or any agency of the Federal Government, the Agency, any Agreement State or Licensing State; or
 5. As otherwise authorized by the Agency in writing.
- C. Before transferring radioactive material to a specific licensee of the Agency, the U.S. Nuclear Regulatory Commission, or an Agreement State or Licensing State, or to a general licensee who is required to register with the Agency, the U.S. Nuclear Regulatory Commission, or an Agreement State or Licensing State prior to receipt of the radioactive material, the licensee transferring the material shall verify that the transferee's license authorizes the receipt of the type, form, and quantity of radioactive material to be transferred.
- D. The transferor shall use one or more of the following methods for the verification required by subsection (C):
 1. The transferor shall possess, and read, a current copy of the transferee's specific license or registration certificate;
 2. The transferor shall possess a written certification by the transferee that the transferee is authorized by license or registration certificate to receive the type, form, and quantity of radioactive material to be transferred, specifying the license or registration certificate number, issuing agency, and expiration date;
 3. For emergency shipments the transferor shall accept oral certification by the transferee that the transferee is authorized by license or registration certificate to receive the type, form, and quantity of radioactive material to be transferred, specifying the license or registration certificate number, issuing agency, and expiration date; provided the oral certification is confirmed in writing within 10 days;
 4. The transferor shall obtain information equivalent to that in subsection (D)(1) to (3) compiled by a reporting service from official records of the Agency, the U.S. Nuclear Regulatory Commission, or the licensing agency of an Agreement State or Licensing State regarding the identity of any licensee and the scope and expiration date of any license, registration, or certificate; or
 5. When none of the methods of verification described in subsections (D)(1) to (4) are readily available or when a

transferor desires to verify that information received by one of the above methods is correct or up-to-date, the transferor shall obtain and record confirmation from the Agency, the U.S. Nuclear Regulatory Commission, or the licensing agency of an Agreement State or Licensing State that the transferee is licensed to receive the radioactive material.

- E. A transferor shall prepare and transport radioactive material as prescribed in the provisions of 12 A.A.C. 1, Article 15.

Historical Note

Adopted effective June 30, 1977 (Supp. 77-3). Amended effective December 20, 1985 (Supp. 85-6). Former Section R12-1-318 renumbered to R12-1-319, new Section R12-1-318 renumbered from R12-1-317 effective February 18, 1994 (Supp. 94-1). Former Section R12-1-318 renumbered to R12-1-317; new Section R12-1-318 renumbered from R12-1-319 and amended by final rulemaking at 5 A.A.R. 1817, effective May 12, 1999 (Supp. 99-2).

R12-1-319. Modification, Revocation, or Termination of a License

- A. The terms and conditions of all licenses are subject to amendment, revision, or modification, and a license may be suspended or revoked by reason of amendments to the Agency's statutes or rules and orders issued by the Agency.
- B. The Agency may revoke, suspend, or modify any license, in whole or in part, for any material false statement in the application; any omission or misstatement of fact required by statute, rule, or order, or because of conditions revealed by the application or any report, record, or inspection or other means that would cause the Agency to refuse to grant a license; or any violation of license terms and conditions, or the Agency's statutes, rules, or orders.
- C. Except in cases of willfulness or those in which the public health, interest, or safety requires otherwise, the Agency shall not modify, suspend, or revoke a license unless, before the institution of proceedings, facts or conduct that may warrant action have been called to the attention of the licensee in writing and the licensee has been accorded an opportunity to demonstrate or achieve compliance.
- D. The Agency may terminate a specific license upon a written request by the licensee that provides evidence the licensee has met the termination criteria in R12-1-451, R12-1-452, and the decommissioning requirements in R12-1-323.
- E. Specific licenses, including expired licenses, continue in effect until terminated by written notice to the licensee, when the Agency determines that the licensee has:
1. Properly disposed of all radioactive material;
 2. Made a reasonable effort to eliminate residual radioactive contamination, if present;
 3. Performed an accurate radiation survey that demonstrates the premises are suitable for release in accordance with the criteria for decommissioning in R12-1-323;
 4. Submitted other information that is sufficient to demonstrate that the premises are suitable for release in accordance with the criteria for decommissioning in R12-1-323.
 5. Provided records to the Agency that detail the disposal of all radioactive material in unsealed form with a half-life greater than 120 days, and copies of the records required by 10 CFR 30.35(g), January 1, 2004, which is incorporated by reference and on file with the Agency. This incorporation by reference contains no future editions or amendments.

Historical Note

Adopted effective June 30, 1977 (Supp. 77-3). Amended

effective December 20, 1985 (Supp. 85-6). Former Section R12-1-319 renumbered to R12-1-320, new Section R12-1-319 renumbered from R12-1-318 effective February 18, 1994 (Supp. 94-1). Former Section R12-1-319 renumbered to R12-1-318; new Section R12-1-319 renumbered from R12-1-320 and amended by final rulemaking at 5 A.A.R. 1817, effective May 12, 1999 (Supp. 99-2). Amended by final rulemaking at 10 A.A.R. 2122, effective July 3, 2004 (Supp. 04-2). Amended by final rulemaking at 10 A.A.R. 4458, effective December 4, 2004 (Supp. 04-4). Amended by final rulemaking at 12 A.A.R. 75, effective February 7, 2006 (Supp. 05-4).

R12-1-320. Reciprocal Recognition of Licenses

- A. This subsection grants a general license to perform specific licensed activities in Arizona for a period not to exceed 180 days in any calendar year to any person who holds a specific license from an Agreement State, where the licensee maintains an office for directing the licensed activity and retaining radiation safety records, is granted a general license to conduct the same activity involving the use of radioactive material from the U.S. Nuclear Regulatory Commission, Licensing State, or any Agreement State, provided that:
1. The license does not limit the activity to specific installations or locations;
 2. Following the first notification, application, and payment of fees, the licensee shall notify the agency three days prior to entering the state and prior to each non-consecutive visit while reciprocity remains in effect.
 3. The out-of-state licensee complies with all applicable statutes, now or hereafter in effect, rules, and orders of the Agency and with all the terms and conditions of the license, except those terms and conditions inconsistent with applicable statutes, rules and orders of the Agency;
 4. The out-of-state licensee supplies any other information the Agency requests; and
 5. The out-of-state licensee does not transfer or dispose of radioactive material possessed or used under the general license provided in this Section except by transfer to a person:
 - a. Specifically licensed by the Agency, or by the U.S. Nuclear Regulatory Commission to receive the radioactive material; or
 - b. Exempt under R12-1-303(A).
- B. Notwithstanding the provisions of subsection (A)(1), this subsection grants a general license to manufacture, install, transfer, demonstrate, or service a device described in R12-1-306(B)(1) to any person who holds a specific license issued by the U.S. Nuclear Regulatory Commission, Licensing State, or an Agreement State authorizing the same activities within areas subject to the jurisdiction of the licensing body, provided that:
1. The person files a report with the Agency within 30 days after the end of each calendar quarter in which any device is transferred to or installed in this State. Each report shall identify the general licensee to whom the device is transferred by name and address, the type of device transferred, and the quantity and type of radioactive material contained in the device;
 2. The device has been manufactured, labeled, installed, and serviced according to the applicable provisions of the specific license issued to the person by the U.S. Nuclear Regulatory Commission or an Agreement State;
 3. The person entering the state ensures that any labels required to be affixed to the device under rules of the authority which licensed manufacture of the device bear