

**From:** [Reber, Eric](mailto:Reber.Eric)  
**To:** [Bill.hocevar@morganplc.com](mailto:Bill.hocevar@morganplc.com)  
**Subject:** Request for 2015 Report of Exempt Distribution; Morgan Advanced Materials; License No. 34-35266-01E  
**Date:** Monday, March 28, 2016 10:18:00 AM  
**Attachments:** [RIS 2014-10 Exempt Distribution.pdf](#)

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Dear Mr. Hocevar,

All holders of exempt distribution materials licenses are required to submit annual reports of their distribution of exempt products by January 31 of each year for the preceding year. From a review of our records it appears that you have not submitted a report of the distribution of exempt products under License No. 34-35266-01E for 2015. If you have already submitted such a report or believe that you are not required to submit such a report, please inform me. If you have already submitted a report, please send me a copy of the report so that I can verify that it is in our system. Otherwise, you should submit your report without delay. Information concerning the requirements for such reports is provided below.

Your license authorizes the distribution of exempt products pursuant to 10 CFR 40.52. The record keeping and reporting requirements for such licenses are located in 10 CFR 40.53(c). The reporting requirements are detailed and prescriptive and should be followed fastidiously.

*40.53 (c)(1) Each person licensed under 10 CFR 40.52 shall file a report with the Director, Office of Nuclear Material Safety and Safeguards by an appropriate method listed in 10 CFR 40.5(a), including in the address: ATTN: Document Control Desk/Exempt Distribution.*

*(2) The report must clearly identify the specific licensee submitting the report and include the license number of the specific licensee and indicate that the products are transferred for use under 10 CFR 40.13(c), giving the specific paragraph designation, or equivalent regulations of an Agreement State. \*\*\**

*(3) The report must include the following information on products transferred to other persons for use under 10 CFR 40.13(c) or equivalent regulations of an Agreement State:*

*(i) A description or identification of the type of each product and the model number(s), if applicable;*

*(ii) For each type of source material in each type of product and each model number, if applicable, the total quantity of the source material; and*

*(iii) The number of units of each type of product transferred during the reporting period by model number, if applicable.*

*(4) The licensee shall file the report, covering the preceding calendar year, on or before January 31 of each year. Licensees who permanently discontinue activities authorized by the license issued under 10 CFR 40.52 shall file a report for the current calendar year within 30 days after ceasing distribution.*

*(5) If no transfers of source material have been made to persons exempt under 10 CFR 40.13(c) or the equivalent regulations of an Agreement State, during the reporting period, the report must so indicate.*

*(6) The licensee shall maintain all information concerning transfers that support the reports required by this section for 1 year after each transfer is included in a report to the Commission.*

\*\*\* For License No. 34-35266-01E, your report should include the following (or similar) statement: "Our products were transferred for use 10 CFR 40.13(c)(2)(ii) or equivalent regulations of an Agreement State."

Further information about the requirements that apply to annual reports of exempt distribution can be found in the attached Regulatory Issue Summary.

A hard copy of your revised report should be addressed and sent to:

ATTN: Document Control Desk/Exempt Distribution  
Director, Office of Nuclear Material Safety and Safeguards  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001

Please be aware that upon your request, proprietary information submitted to the NRC may be withheld from public disclosure. To do this, you must follow the procedures in 10 CFR 2.390(b) including requesting withholding at the time the information is submitted and complying with the document marking and affidavit requirements set forth in 10 CFR 2.390 (b)(1).

If you have any questions, please feel free to contact me.

Regards,  
Eric

Eric H. Reber  
General Engineer/Project Manager  
Materials Safety Licensing Branch  
Division of Material Safety, State, Tribal, and Rulemaking Programs  
US Nuclear Regulatory Commission  
Washington, DC 20555-0001  
Tel: +1 (301) 415-5608  
Office: T-8i04