



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
WASHINGTON, D.C. 20555-0001

March 13, 2020

ALL AGREEMENT STATES

NOTIFICATION OF MAJOR REVISION TO INSPECTION MANUAL CHAPTER (IMC) 2800, "MATERIALS INSPECTION PROGRAM" AND CANCELING OF IMC 1220, "PROCESSING OF NRC FORM 241, 'REPORT OF PROPOSED ACTIVITIES IN NON-AGREEMENT STATES, AREAS OF EXCLUSIVE FEDERAL JURISDICTION, AND OFFSHORE WATERS,' AND INSPECTION OF AGREEMENT STATE LICENSEES OPERATING UNDER 10 CFR 150.20" (STC-20-023)

Purpose: To inform the Agreement States that a major revision to the Office of Nuclear Material Safety and Safeguards Inspection Manual Chapter (IMC) 2800, "Materials Inspection Program" was issued and became effective at the NRC on March 2, 2020. Additionally, IMC 1220, "Processing of NRC Form 241, 'Report of Proposed Activities in Non-Agreement States, Areas of Exclusive Federal Jurisdiction, and Offshore Waters,' and Inspection of Agreement State Licensees Operating Under 10 CFR 150.20" was cancelled on March 2, 2020.

Background: On April 13, 2016, the U.S. Nuclear Regulatory Commission (NRC) issued Staff Requirements Memorandum (SRM) to SECY-16-0009, "Recommendations Resulting from the Integrated Prioritization and Re-Baselining of Agency Activities." Item 110 in this SRM directed the NRC staff to revise IMC 2800 to allow more flexibility and logical extensions to the inspection interval of materials licensees.

To more efficiently and effectively address the Commission direction for Item 110, the NRC management and staff divided action on this item into two phases: 1) to specifically address the items listed in the Commission paper; and 2) to conduct a more comprehensive evaluation and revision of IMC 2800 and certain parts of the NRC materials inspection program.

Phase 1 was completed with the issuance of a focused revision to IMC 2800, dated September 12, 2017. An electronic copy of September 12, 2017, revision to IMC 2800 can be found in the NRC's Agencywide Document Access and Management System (ADAMS) under Accession No. ML17186A204. On April 18, 2017, the Standing Committee for Compatibility met and reviewed the Phase 1 revisions to IMC 2800. As a result of that review, the Committee determined that the changes to IMC 2800 were a matter of compatibility with the Agreement States. The SCC also recommended that the Committee review the Phase 2 revision of IMC 2800 and the implementation requirements for the Agreement States.

Discussion: In August 2018, a Working Group (WG) composed of NRC and Agreement State inspection management and staff was formed and tasked with performing Phase 2. This activity resulted in substantial changes to IMC 2800, but these changes did not diminish the protection of public health and safety or security of licensed nuclear material. Changes in the following areas were especially noteworthy during this revision: (1) location of use; (2) reactive inspections; (3) remote inspections of exempt distribution licenses; (4) reciprocity; (5) inspection of bankrupt, expired, abandoned, and revoked licensees; (6) coordination of inspection activities between NRC regional offices and State agencies; and (7) inspection documentation.

Additionally, the WG decided to cancel IMC 1220, "Processing of NRC Form 241, 'Report of Proposed Activities in Non-Agreement States, Areas of Exclusive Federal Jurisdiction, and Offshore Waters,' and Inspection of Agreement State Licensees Operating Under 10 CFR 150.20." The licensing information in IMC 1220 was moved to NUREG-1556, Volume 20, Revision 1, "Consolidated Guidance About Materials Licenses: Guidance About Administrative Licensing Procedures," and the inspection information was placed in IMC 2800.

The latest revision to IMC 2800 can be accessed through ADAMS under Accession Number ML20031D677. The revision can also be found on the NRC's public Web site at: <https://www.nrc.gov/reading-rm/doc-collections/insp-manual/manual-chapter/>. Also, the Agreement States provided comments on the draft version of the revision to IMC 2800. These comments and the responses to the comments from the WG are available through ADAMS under Accession Number ML20029E869.

IMC 2800 has been a matter of compatibility in the past and the Standing Committee for Compatibility will discuss the Phase 2 revisions at their April 20, 2020 meeting to determine the compatibility and implementation implications for the Agreement States. A separate STC letter will be issued to the Agreement States to provide the results of the April 2020 meeting and any compatibility and implementation recommendations.

If you have any questions on this correspondence, please contact the individual named below:

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