



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
61 FORSYTH STREET SW SUITE 23T85
ATLANTA, GEORGIA 30303-8931**

August 30, 2000

Department of the Navy
Naval Radiation Safety Committee
Chief of Naval Operations (N-45)
ATTN: RDML L. Baucom
Chairman
Room 636
2211 S. Clark Place
Arlington, VA 22244-5108

SUBJECT: NRC INSPECTION REPORT 45-23645-01NA/00-05 AND NOTICE OF VIOLATION

Dear Admiral Baucom:

On August 1, 2000, the NRC completed an annual review of activities authorized under the Navy Master Materials License. The exit interview for this inspection was held with you and members of your staff on August 2, 2000. The enclosed report presents the results of the review.

Between May 10, 1999 and July 23, 2000, a number of licensee activities were inspected or assessed by various NRC inspectors and other specialists. During those inspections or assessments, records were reviewed, procedures were discussed with personnel, and direct observations related to the conduct of inspections were made by the inspectors. Based on those reviews, discussions, and observations, one violation of NRC requirements was identified as discussed in the details of the report.

The NRC found that the Navy's implementation of the permitting and inspection programs was adequate and, with minor exceptions, consistent with NRC licensing and inspection policies and procedures.

Within the scope of the inspection, certain of your activities appeared to be in violation of NRC requirements, as specified in the enclosed Notice of Violation (Notice). You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

Should you have any questions concerning this letter, please contact us.

Sincerely,

/RA/

Douglas M. Collins, Director
Division of Nuclear Materials Safety

Docket No. 030-29462
License No. 45-23645-01NA

- Enclosures:
1. Notice of Violation
 2. NRC Inspection Report
No. 45-23645-01NA/00-05

cc w/encls:
Commonwealth of Virginia

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D. Cool, NMSS

OFFICE	RII:DNMS	RII:DNMS	RIV:DNMS	RII:DNMS			
SIGNATURE	/RA/	/RA/	/RA by MLF for/	/RA/			
NAME	M.Fuller	J.Pelchat	R.Leonardi	J.Henson			
DATE	8/24/2000	8/24/2000	8/24/2000	8/29/2000	9/ /2000	9/ /2000	9/ /2000
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

NOTICE OF VIOLATION

Department of the Navy
Washington, D.C.

Docket No. 030-29462
License No. 45-23645-01NA

During an NRC inspection conducted on July 24 - August 1, 2000, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedures for NRC Enforcement Actions," NUREG-1600, the violation is listed below:

10 CFR 30.36(d) requires, in part, that within 60 days of the occurrence of any of the following each licensee shall provide notification to the NRC in writing of such occurrence,

- (1) The licensee has decided to permanently cease principal activities, as defined in this part, at the entire site or in any separate building or outdoor area that contains residual radioactivity such that the building or out-door area is unsuitable for release in accordance with NRC requirements; or
- (2) No principal activities under the license have been conducted for a period of 24 months; or
- (3) No principal activities under the license have been conducted for a period of 24 months in any separate building or outdoor area that contains residual radioactivity such that the building or out-door area is unsuitable for release in accordance with NRC requirements.

Contrary to the above, as of October 1996, the licensee had ceased principal activities in an outdoor area that contains residual radioactivity, such that the area is unsuitable for release in accordance with NRC requirements, at China Lake Naval Weapons Station (NRMP number 04-68937-L1NP), and the licensee had not made written notification to the NRC, or made a request for an alternative schedule for decommissioning.

This is a Severity Level IV violation (Supplement VI).

Pursuant to the provisions of 10 CFR 2.201, the Department of the Navy is hereby required to submit a written statement or explanation to the Regional Administrator, Region II, with a copy to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or demand for information may be

Enclosure 1

issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

If you contest this enforcement action, you should also provide a copy of your response to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

Because your response will be made publically available, to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be made publically available without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld, and provide in detail the basis for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.790(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days.

Dated this 30th day of August, 2000

U. S. NUCLEAR REGULATORY COMMISSION

REGION II

Docket No.: 030-29462

License No.: 45-23645-01NA

Report No.: 45-23645-01NA/00-05

Licensee: U. S. Navy

Locations: Office of the Chief of Naval Operations (N45)
Crystal City, Virginia

Naval Sea Systems Command Detachment
Radiological Affairs Support Office (RASO)
Naval Weapons Station Yorktown
Yorktown, Virginia

Naval Environmental Health Center (NEHC)
2510 Walmer Avenue
Norfolk, Virginia

Dates: July 24 -August 1, 2000

Inspectors: Michael L. Fuller, Project Coordinator
Navy Master Materials License

John M. Pelchat, Senior Health Physicist

Richard A. Leonardi, Health Physicist

Approved by: Jay L. Henson, Chief
Materials Licensing and Inspection Branch 2

Enclosure 2

EXECUTIVE SUMMARY

U. S. Navy
NRC Inspection Report No. 45-23645-01NA/00-05

This annual, announced program review was conducted to evaluate the U.S. Navy's implementation and administration of activities conducted under the Master Materials License (MML). It included a review of the licensee's radioactive materials permitting and inspection programs, results of NRC inspections of Navy facilities conducted during the review period, licensee event reports, and a review of matters related to the Naval Radiation Safety Committee's (NRSC's) oversight of activities authorized by the license. Licensee activities conducted during the period of May 10, 1999, through July 23, 2000, were reviewed during this assessment.

Through discussions with licensee staff, reviews of documents, and observations of licensee staff in the performance of their duties, the inspectors found the Navy's overall permitting and inspection program to be adequate to protect the health and safety of workers and the general public. A few minor examples where the Navy's implementation of its permitting program was not consistent with the NRC's licensing and inspection policies, procedures, and guidance were identified and are discussed in the report details.

Personnel performing Navy Radioactive Material Permit (NRMP) reviews and inspections of activities covered by NRMPs were knowledgeable. Both review and inspection criteria were generally comparable to NRC reviews and inspections of similar activities.

The program areas included in this report are listed below:

Management Oversight

- The NRSC conducted operations in accordance with the MML conditions and NRC regulations. The NRSC was effective in carrying out its responsibility of providing oversight to the Navy's radiation safety and regulatory compliance program.

Organization and Scope of the Licensee Program

- The Navy's permitting and inspection program was organized and implemented as required by the MML and NRC regulations.

The Permitting Function

- With a few minor exceptions, the Navy's permitting program was conducted in a manner that was consistent with NRC's licensing policies, procedures, and guides.

An apparent violation of 10 CFR 30.36 was identified involving the Navy's failure to make written notification to the NRC that principal activities had ceased at China Lake Naval Weapons Station.

The Inspection Function

- The Navy's inspection program was conducted in a manner that was consistent with NRC's inspection policies, procedures, and guides.

Licensee Event Reports

- The NRSC reported five events to the NRC since the last annual review. The threshold of reporting incidents or events to NRC was conservative and in some cases reports were made when there were no regulatory requirements for the reports.

NRC Inspections of Navy Permittees

- The NRC inspected ten permitted activities since the last annual review. No violations were identified during these inspections.

Attachments:

Persons Contacted

Manual Chapter Used

Items Opened, Closed, and Discussed

Abbreviations

REPORT DETAILS

1. **Management Oversight**

a. Inspection Scope:

The inspectors reviewed the licensee's radiation safety committee (RSC) organization and management oversight activities to determine whether the NRSC controls the use of licensed materials as required by the MML and NRC regulations.

b. Observations and Findings:

Through observations of NRSC meetings, discussions with cognizant licensee representatives, and review of program documentation, the inspectors determined that the NRSC was organized as required and had implemented management oversight procedures to control the use of licensed materials. The Navy described the RSC's membership and responsibilities in OPNAV Instruction 6470.3, "Navy Radiation Safety Committee," (December 10, 1985). The Navy further described the NRSC organization, responsibilities, and operating procedures in the NRSC Standard Operating Procedures Manual (SOPM), Revision (Rev.) 3, June 1993.

The Chairman of the NRSC is the Director, Environmental Protection, Safety and Occupational Health Division, Office of the Deputy Chief of Naval Operations (DCNO), Logistics (N45). A new individual was assigned to this position in March 2000. The Chief, Radiological Control and Health Branch is the NRSC Executive Secretary. The Executive Secretary is responsible for conducting day-to-day operations and issuing permits approved by the NRSC. Other members of the NRSC included representatives from the Chief, Bureau of Medicine and Surgery, the Commander, Naval Sea Systems Command, and the Office of the Commandant, U. S. Marine Corps.

The Navy's MML requires that the NRSC meet on at least a quarterly basis. Since the last annual review, the NRSC met on September 10 and December 6, 1999, and March 10 and June 21, 2000. The Region II Navy MML Project Coordinator, the NRC headquarters MML Coordinator, and/or various Region II managers attended each of these meetings. The NRC representatives observed that the NRSC discussed, and took appropriate action on numerous substantive issues related to the Navy's MML program. During each meeting, the NRSC reviewed the status of the permitting and inspection program, events, special interest issues and regulatory compliance issues and updates. Minutes from these quarterly meetings were distributed to all attendees.

In addition to the permitting and inspection program reviews conducted during the quarterly meetings, the NRSC, through the Executive Secretary, reviewed and issued each NRMP completed by the two technical centers responsible for the review of NRMP applications. The Executive Secretary also reviewed each inspection report issued by

the two technical centers, and forwarded copies of the permits and inspection reports issued by the NRSC or the technical centers to Region II shortly after issuance. The Project Coordinator observed that when the inspection results concerned significant safety or regulatory compliance issues, the report was issued by the NRSC.

The Executive Secretary and others, also performed audits of the technical centers in June and July 2000. An NRC inspector reviewed the results of these audits. The Navy auditors did not identify any areas of non-compliance as a result of their reviews at the two centers.

c. Conclusions:

The inspectors found that the licensee effectively executed its management oversight activities as required by the MML and in a manner to adequately control the Navy's use of licensed material. The NRSC conducted licensed activities in accordance with provisions of OPNAV Instruction 6470.3 and the NRSC SOPM. The inspectors also determined that the new Chairman of the NRSC was effective in performing the required functions.

2. Organization and Scope of the Licensee Program

a. Inspection Scope:

The inspectors reviewed the permitting and inspection organization and the licensed activities permitted by the Navy to determine whether they met the requirements of the MML and NRC regulations.

b. Observations and Findings:

The inspectors reviewed the Navy program documents that described its permitting and inspection procedures, reviewed permits issued by the NRC, and visited the NRSC's Executive Secretary's office and the two technical support centers to observe and discuss how the Navy's permitting and inspection staff are organized, how they function, and to examine their qualifications. These activities also allowed the inspectors to review the scope of licensed activities permitted by the Navy.

The Navy's MML authorizes the NRSC to issue radioactive materials permits to users of licensed material within the U.S. Navy and Marine Corps. The Navy described its organization and permitting and inspection procedures in OPNAV Instruction 6470.3 and the NRSC SOPM (Rev. 3). As described in these documents, the NRSC manages the Navy's implementation of its MML program and the Executive Secretary of the NRSC is responsible for conducting day-to-day operations and issuing permits. The NRSC and Executive Secretary are assisted in the performance of their duties by two technical support centers.

Through discussion with key personnel and review of pertinent documentation, the inspectors verified that NEHC, which is a part of the Navy Bureau of Medicine (BUMED), reviewed applications to issue, amend, renew, and terminate permits received from medical and medical research activities. NEHC also inspected these activities. The inspectors also verified that RASO, which is a part of the NAVSEA organization, reviewed applications to issue, amend, renew, and terminate permits received from industrial and non-medical research activities. RASO inspected these industrial and non-medical activities. Both centers forwarded all completed permits and inspection reports to the Executive Secretary for review, approval, and release by the NRSC.

At the time of the inspection, NEHC and RASO were responsible for 27 and 116 permits, respectively. NEHC employed three individuals (one officer and two civilians) in its radioactive materials permitting and inspection program. The number of individuals employed in the program was reduced from four to three during the review period. RASO employed sixteen individuals (five military and eleven civilians) in its permitting and inspection program. The permitting and inspection staff at NEHC and RASO had completed the NRC's materials licensing and inspection courses in previous review periods. Many of the staff had also attended other licensed materials related training courses since the previous inspection.

c. Conclusions:

The inspectors found that the Navy's permitting and inspection program was organized as required by the MML. The inspectors concluded that the permitting and inspection staffing at both technical support centers were adequate to accomplish licensed activities.

3. The Permitting Function

a. Scope:

The NRC inspectors reviewed a sample of permitting actions completed by the technical support centers to assess consistency and conformity with NRC licensing procedures. The inspectors reviewed several permit applications and the associated permits to determine if the reviewer actions taken and conditions included in the issued permits were consistent with NRC licensing practices.

b. Observations and Findings:

(1) NEHC

At the time of the review, NEHC was responsible for 27 medical and medical research permits. Since the last annual review, NEHC had issued one new, renewed two and terminated three permits, and issued 30 permit amendments. The inspectors determined that at the time of the review, there were no overdue permitting actions awaiting completion.

In general, reviews of permitting actions were performed using applicable NRC licensing guidance and standard review plans and were completed consistent with the NRSC's timeliness goals.

The inspectors reviewed 12 of the 36 permitting actions completed by NEHC since the last annual review (1/1 new issues, 2/2 renewals, 6/30 amendments and 3/3 terminations). The inspectors noted that the NEHC staff made use of checklists similar to those used by NRC license reviewers to document the results of their permitting action reviews. The NEHC reviewers clearly documented the issues reviewed and the concerns identified and addressed with the permit applicants. The NEHC reviewers also prepared a document that summarized the information contained in the permit application which was reviewed and signed by NEHC management when the review was completed and the draft permit was prepared for issuance. The inspectors determined that the NEHC staff had processed permits in a manner consistent with NRC licensing policies and guides.

(2) RASO

At the time of the review, RASO was responsible for 116 industrial use permits. Since the last annual review, RASO had issued 10 new, renewed 11, amended 63, and terminated 24 permits. The inspectors determined that RASO had nine permitting actions awaiting completion. RASO completed permitting actions within licensing timeliness goals.

The inspectors reviewed 15 of the 108 permitting actions completed by RASO since the last annual review (2/10 new permits, 2/11 renewals, 7/63 amendments, and 4/24 terminations). In general, RASO reviewed permitting actions using applicable NRC licensing guidance and standard review plans and completed its permitting actions consistent with NRC timeliness goals.

10 CFR 30.36(d) requires, in part, that within 60 days of the occurrence of any of the following each licensee shall provide notification to the NRC in writing of such occurrence,

- (a) The licensee has decided to permanently cease principal activities, as defined in this part, at the entire site or in any separate building or outdoor area that contains residual radioactivity such that the building or out-door area is unsuitable for release in accordance with NRC requirements; or
- (b) No principal activities under the license have been conducted for a period of 24 months; or
- (c) No principal activities under the license have been conducted for a period of 24 months in any separate building or outdoor area that contains residual radioactivity such that the building or out-door area is unsuitable for release in accordance with NRC requirements.

In a response to a Technical Assistance Request dated April 29, 1998, from NRC Region IV, involving the Air Force's MML, the Office of Nuclear Materials Safety and Safeguards advised the NRC regional staffs that in order for the MMLs to make the required notifications and reports to the NRC, pursuant to 10 CFR 30.36, permittees of military master materials licensees must make the notifications required in 10 CFR 30.36 to their respective RSC. A copy of this document was provided to the licensee in May 1999.

Based upon a review of NRC records and discussions with key licensee personnel, the inspector determined that no principal activities have been performed at China Lake Naval Air Weapons Station (NRMP 04-68937-L1NP), since at least November 1992. 10 CFR 30.36, became effective in August 1994. Licensees whose principal activities had ceased prior to that date were allowed the full 24 months (plus 60 days) to make the required notifications to NRC (and submit decommissioning plans and begin decommissioning). Therefore, by October 1996, all licensees, whose principal activities had ceased prior to August 1994, should have made the required notifications to NRC, and begun the decommissioning process.

Based upon a review of pertinent licensee documentation and discussions with key licensee personnel, the inspectors determined that in March 1998, the Navy renewed the China Lake permit. When the permit was renewed, the Authorized Use was changed from "Testing of munitions" to "Storage of target vehicles and artillery ranges contaminated with projectiles and fragments as metallic solid or as oxides of depleted uranium." This change in principal activities, while more accurately describing the scope of work being performed at that time, had the effect of eliminating the requirements of 10 CFR 30.36. As a result of the change in the Authorized Use, the permittee was no longer required to submit written notification since the principal activity was changed to "storage."

The licensee's failure to make written notification to the NRC that principal activities had ceased at China Lake Naval Weapons Station, and begin development of the decommissioning plan, or make a request for an alternative schedule for decommissioning was identified as an apparent violation of 10 CFR 30.36.

In addition, the inspectors noted one permitting action that was not consistent with NRC licensing policies and procedures. The NRSC issued Permit No. 19-00161-B1NP to the U.S. Naval Academy, for calibration of radiation survey meters and for teaching. Review of the permit revealed that the permit was renewed on June 3, 1999. The inspectors reviewed the application, the associated correspondence generated by the reviewers, and the reviewers' notes. Based on this review and discussion with one of the reviewers, the inspectors determined that the permit did not include a condition requiring the periodic physical inventory of sealed sources possessed by the permittee. In addition, the language in the leak test condition on the renewed permit was not consistent with the leak test condition in the current standard licensing conditions. The inspectors noted that the lack of an inventory condition was compensated by permittee procedures incorporated into the permit by the tie-down condition.

Review of the RASO permit templates indicated that the standard template for this class of permit includes a physical inventory condition and a leak test condition that are

consistent with current standard license conditions. However, the reviewer stated that he copied an older amendment when renewing the permit and did not use the template.

c. Conclusions:

The inspectors determined that, with a couple of minor exceptions, the Navy's permitting program was conducted in a manner that was consistent with NRC's licensing policies, procedures, and guides. The inspectors also concluded that in general, permitting actions were completed consistent with NRC timeliness goals. One apparent violation of NRC regulatory requirements was identified.

4. The Inspection Function

a. Scope:

The NRC inspectors reviewed a sample of the permit inspections completed by the technical support centers since the last annual review to assess consistency and conformity with NRC inspection procedures. The MML requires that the NRSC incorporate the NRC's inspection criteria into the Navy's inspection guides to assure compatibility of inspection programs between the Navy and the NRC. The NRC's inspection program is described in Manual Chapter 2800, Materials Inspection Program.

b. Observations and Findings:

The NRC inspectors reviewed a sample of the 74 permit inspections completed by the licensee during the review period to assess consistency and conformity with NRC inspection procedures. NEHC personnel performed 9 inspections during the period and RASO personnel performed 65 inspections. Navy inspections of permittees were announced.

(1) NEHC

The inspector reviewed inspection documentation for 7 of the 9 inspections completed by NEHC since the last NRC inspection. Minor deviations from NRC inspection policy regarding documentation of observations and findings were discussed with the NEHC staff. In cases in which violations were identified, with minor exceptions, both the field notes and inspection report contained sufficient detail to support the violation.

Responses from permittees to Notices of Violation were reviewed and were found to be timely and provided adequate statements of corrective actions taken in response to the violations. All violations reviewed were appropriately characterized as to severity level in accordance with the NRC Enforcement Policy. All inspection reports were issued within the time period prescribed in the NRSC's SOPM, Rev. 3. The 9 inspection reports issued contained a total of 28 violations (including Severity Level V violations and violations of Navy requirements that are beyond NRC requirements) 17 of which were Severity Level IV violations. There were no violations that should have been classified as higher than Severity Level IV.

On July 21, 1999, a NRC inspector accompanied a NEHC inspector during the inspection of Charleston Naval Hospital in Charleston, South Carolina. The NEHC inspector was

very familiar with the permit and regulatory requirements and emphasized performance-based inspection techniques.

(2) RASO

Inspection documentation was reviewed for 24 of the 65 inspections performed by RASO personnel. In cases in which violations were identified, both the field notes and inspection reports contained sufficient detail to support the violations. Responses from permittees to Notices of Violation were reviewed and were found to be timely and provided adequate statements of corrective actions taken in response to the violations. All violations reviewed were appropriately characterized as to severity level in accordance with the NRC Enforcement Policy. All inspection reports were issued within the time period prescribed in the NRSC's SOPM, Rev. 3.

RASO personnel employ a checklist to document inspection activities. Narrative information on the nature and scope of the permittee's program and the bases the inspector used to reach a conclusion was appropriately documented in the reports. The RASO inspectors appear to be utilizing performance-based inspection techniques.

c. Conclusions:

The inspectors determined that the Navy's inspection program was conducted in a manner that was essentially compatible with NRC's inspection policies, procedures, and guides.

5. Licensee Event Reports

a. Scope:

The NRC inspectors reviewed the event reports submitted by the NRSC to the NRC since the last annual review to determine if all events had been reported as required by the regulations.

b. Observations and Findings:

Through discussions with key Navy personnel, the inspectors determined that the NRSC's threshold for reporting incidents or events to NRC was conservative. The NRSC reported some incidents that were below the NRC reporting requirements.

NRSC reported five events involving the loss of licensed material; two instances involved the loss of material in the form of 9 microCi americium-241 sealed sources contained in laser target designator pods due to the loss of aircraft from aviation accidents; one instance involved the loss of 500 microCi of strontium-90 contained in an in-flight blade inspection system (IBIS) used in the Sea Stallion (CH-53) helicopter; one instance

involved a 5 microCi, Cs-137 ignitor source from a J-52 jet engine, recovered from a foundry in Mexicali, Mexico; and one instance involved the shipment of licensed material, as decay-in-storage waste from the National Naval Medical Center in Bethesda, MD to a commercial incineration facility in Baltimore, MD.

The NRC continued to follow up on the February 19, 1999 incident involving the improper expenditure of depleted uranium munitions in Vieques Island, PR. NRC performed an inspection of the DU recovery activities there from May 31, through June 13, 2000 (NRC Inspection Report Number 45-23645-01NA/00-04). NRC continues to follow the Navy's actions with regard to the recovery of DU penetrators.

c. Conclusions:

The inspectors determined that the NRSC had notified the NRC of reportable events as required by the regulations and in addition, of some incidents below the minimum reporting requirements.

6. NRC Inspections of Navy Permittees

a. Scope:

The NRC performed independent inspections of Navy permitted activities to assess the adequacy of permitted radiation safety programs and compliance with NRC regulations and the MML license. The NRSC's corrective actions implemented in response to cited violations was assessed for completeness, timeliness and effectiveness.

b. Observations and Findings:

During this reporting period, the NRC inspected 10 Navy permitted facilities, during which no violations were identified. The inspections were performed by four different NRC inspectors, representing all four NRC regional offices. The results of these inspections were documented in separate inspection records.

c. Conclusions:

The results of the NRC inspections of Navy permittees indicated that the Navy's permitting and inspection program was effective and permitted activities were being conducted as required by NRC regulations and the MML.

7. Navy Commodities Permits

As a result of a June 1996, inspection, the Navy was cited for four violations regarding the control of commodities containing licensed material. The Navy's corrective action plan covered a three year period. An NRC inspector accompanied a RASO inspector on a series of focused inspections in this area, in September 1999. Based on the results of these inspections, and the efforts by the NRSC in this area since 1996, the NRC determined that the Navy had significantly improved its control over its inventory of radioactive commodities within the Navy and the Marine Corps. Therefore, the NRC has concluded its focused follow-up of this issue.

An exit meeting was held with the NRSC on August 2, 2000 by video conference. The overall scope and findings of the inspection were discussed. No dissenting comments were received from the NRSC, and the licensee did not specify any information reviewed during the inspection as proprietary in nature. A licensee representative requested that the NRC review the apparent violation for consideration as a program weakness.

ATTACHMENT

1. PERSONS CONTACTED

Licensee Personnel

- *RDML L. Baucom, Chairman, NRSC
- *CAPT(s) G. Higgins, Executive Secretary, NRSC
- *CAPT(s) D. Farrand, Director, Radiological Controls Program Office, NAVSEA
- *LT G. Kahles, Recording Secretary, NRSC
- *LCDR T. Kraft
- CDR S. Doremus, Officer-in-Charge, NAVSEA Detachment RASO
- Mr. R. Lowman, Director, Radiation Safety and Environmental Program, RASO
- Mr. E. Abkemier, RASO
- Mr. T. Hart, RASO
- Ms. L. Lowman, RASO
- Mr. W. Morris, RASO
- Mr. R. Yonemitsu, RASO
- CAPT D. Sack, Officer-in-Charge, NEHC
- LCDR S. Wolff, NEHC
- LCDR P. Featherston, NEHC
- Mr. P. Tveten, NEHC
- Ms. D. Clark, NEHC

NRC Personnel

- *Mr. L. Reyes, Regional Administrator, Region II
- *Dr. Bruce Mallet, Deputy Regional Administrator, Region II
- *Ms. C. Evans, Regional Counsel, Region II
- *Mr. D. Collins, Director, Division of Nuclear Materials Safety (DNMS)
- *Mr. M. Lesser, Chief, Materials Licensing and Inspection Branch 2 (MLIB2), NMSS
- *Mr. M. Fuller, Health Physicist, MLIB2, NMSS

*Attended June 2, 1999, exit meeting.

2. MANUAL CHAPTER USED

MC 2810 Master Material License Inspection Program

