

November 15, 2002

Robert H. Roswell, M.D.
Under Secretary for Health
Department of Veterans Affairs
Washington, DC 20420

SUBJECT: MASTER MATERIALS LICENSE (MML)

Dear Dr. Roswell:

The purpose of this letter is to inform you of the status of the Department of Veterans Affairs (DVA) application for a Master Materials License (MML).

On August 28, 2002, Nuclear Regulatory Commission (NRC) staff forwarded to the Commission its recommendation pertaining to issuance of the MML. On October 15, 2002, the staff was notified that the Commission approved its recommendation to issue the DVA a full MML subject to increased NRC oversight for a two-year period. The NRC Region III office will be responsible for issuing and monitoring the DVA MML, including implementation of the increased oversight program.

The increased NRC oversight activities will include semi-annual reviews of the DVA's implementation of its MML. The specific areas of review are described in the enclosure to this letter. After the two-year oversight period, if the NRC staff finds the DVA is operating its program in a satisfactory manner, the NRC will consider reducing its oversight review of the VA MML program to the standard oversight activities and annual frequency described in NRC Inspection Manual Chapter 2810, "Master Materials License Program."

Our staff will continue to work with the DVA National Health Physics Program (NHPP) to resolve any open issues that remain in the review process in order to issue the MML in a timely fashion.

Sincerely,

/RA/

J. E. Dyer
Regional Administrator

Enclosure: As stated

cc w/encl: E. Lynn McGuire, Director
DVA National Health Physics Program

Distribution:
M. Virgilio, NMSS
M. Federline, NMSS
D. Cool, NMSS

DOCUMENT NAME: G:\SEC\VAroswellMMLltr.wpd

To receive a copy of this document, indicate in the box: **C** = Copy without enclosure **E** = Copy with enclosure **N** = No copy

OFFICE	RIII:DNMS		RIII:DNMS		NMSS		RIII:DNMS		RIII:ORA	
NAME	Null:mb		Madera		Cool		Dapas		Dyer	
DATE	11/14/02		11/14/02		11/14/02		11/14/02		11/15/02	

OFFICIAL RECORD COPY

Increased Oversight Activities

- 1. Status of Materials Permitting Program (tracking systems, timeliness of permitting and inspections, etc.)**
 - Increased oversight will include a review of DVA's timeliness in issuing permitting actions and conducting inspections.

- 2. Technical Quality of Permitting Program**
 - Increased oversight will include independent NRC review of permit amendments and renewal applications, associated deficiency letters, and completed permits to verify consistency with NRC policies and procedures.

- 3. Technical Quality of Inspections**
 - Increased oversight will involve independent NRC inspections of 30 percent of the higher risk DVA permittees; i.e., priority 1 and 2 programs, and accompaniments of each National Health Physics Program (NHPP) inspector semi-annually. The NRC project manager will also review all NHPP inspection reports and enforcement actions.

- 4. Status of Training of Technical Staff**
 - Increased oversight will include NRC review of the status of the DVA's progress in training its technical staff.

- 5. Implementation of DVA's Allegation and Incident Handling Programs**
 - Increased oversight will include NRC review of DVA's handling and processing of allegations and incidents.

- 6. Management Oversight**
 - Increased oversight will include NRC attendance at NRSC meetings, and a review of all NRSC meeting minutes and activities.