

MAR 24 1987

45-23645-9
030-29462

Vice Admiral T. J. Hughes, USN
Deputy Chief of Naval Operations (Logistics)
Office of the Chief of Naval Operations
Washington, DC 20350-2000

Dear Admiral Hughes:

I am pleased to send to you the Master Materials License (Enclosure 1) requested by the the United States Navy in the application dated August 14, 1986. The license is issued based on the fact that the United States Navy has developed over the years a professional organization with demonstrated competence to manage the use of regulated materials. In addition, the Navy has a good history of compliance with the Commission's regulations and license requirements.

We are attaching an enclosure (Enclosure 2) to document certain understandings reached between both our staffs in developing and issuing this license. If, in your opinion, the enclosure does not accurately reflect these understandings, please let us know soon. We will continue to work closely with you and your staff in implementing this new license.

During the development of concepts embodied in the license we had many occasions to work directly with members of the Navy Radiation Safety Committee. We have found the Committee members to be cooperative and professional at all times. Captain Joseph B. Greep, Jr., Chairman; Commander Karl G. Mandenhall, present Executive Secretary; Commander R. Thomas Bell, past Executive Secretary; and Lt. Commander Michael G. Knight, were particularly important contributors to our combined effort to develop the consolidated license. Without their dedicated effort the project would not have been successful.

We have, over the last two years, looked forward to consolidating your licenses under a comprehensive safety program. It should better enable the Navy to have a timely response to organizational and defense needs while maintaining a high degree of radiation protection for both workers and members of the public.

Sincerely,

Original Signed by
Richard E. Cunningham

Richard E. Cunningham, Director
Division of Fuel Cycle and
Material Safety

Person to Person Case
Telex Done
RPM

DISTRIBUTION

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JNGrace, RII JPotter, RII JTaylor, IE
TDorian NMSS r/f FC Central File
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*telephone conc.

Enclosures:

- 1. NRC License No. 45-23645-01NA
- 2. Document of Understandings

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Enclosure 2

Understandings Between the United States Navy (USN)
and the Nuclear Regulatory Commission (NRC)
Reached in Developing and Issuing
USN License No. 45-23645-01NA

The understandings presently and mutually agreed upon are:

1. It is the NRC's intent that this license will eventually supersede all other USN and Marine Corps licenses. We plan to terminate all other USN licenses and pending licensing actions. However, we will coordinate this effort with the USN to assure a smooth transition. The USN Radiation Safety Committee (RSC) will issue a letter to the USN licensees indicating that their present NRC licenses will be eventually terminated and will be replaced by a temporary USN permit. It is our understanding that the RSC will develop a program to replace these temporary permits with permanent ones within a reasonable time. Copies of all permits will be sent to the NRC.
2. The USN will periodically update its regulations and procedures to reflect the most current NRC or other applicable regulations.
3. The RSC will maintain a record of those items ("commodities") covered by the master license for which individual permits are not required under the USN's permit program, and a record of the Systems Commands issued permits for the commodities. This record shall be made available when requested by the NRC. Individual permits will be issued for Cesium-137 calibration sources. Commodity accountability procedures will be reviewed by the RSC in coordination with the NRC.
4. The USN has no locations that are presently authorized under NRC license for radioactive waste incineration, possession of critical quantities of special nuclear material (SNM), or possession of radioactive material that requires emergency contingency plans. The USN has locations that presently authorize radioactive waste burial (Naval Energy and Environmental Support Activity, Port Hueneme, California), field studies deliberately releasing byproduct material to the environment (Naval Research Laboratory, Washington, D.C.), and outdoor depleted uranium munitions testing (Naval Weapons Center, China Lake, California; Naval Surface Weapons Center, Dahlgren, Virginia; and Naval Sea Systems Command, Washington, D.C.). The RSC will obtain prior NRC approval for any radioactive waste incineration, possession of material that requires contingency plans, or additional locations for radioactive waste burial, field studies deliberately releasing licensed material to the environment, or outdoor testing for depleted uranium munitions.

5. The RSC will assure that the transportation of licensed material will be in accordance with the applicable regulations of NRC, Department of Transportation, and any other government agency which may have jurisdiction over military shipments of licensed material.
6. Effluent releases of radioactive material to the environment will comply with the NRC's regulations and will be as low as reasonably achievable.
7. The NRC reserves the right to conduct inspections of the USN program, including permittees, authorized under this license at times and places it considers appropriate.
8. The NRC will provide guidance and assistance in areas pertinent to the administration of this license, to include technical assistance in those matters where the NRC has special capabilities and technical ability, or where the NRC determines that such assistance is in the best interests of its regulatory program or responsibility.
9. The RSC will not issue any permit authorizing a total possession limit of special nuclear material equal to or in excess of critical quantities (as determined by the procedures specified in 10 CFR 150.11(a)). The RSC will assure that special nuclear material possessed under multiple permits will not equal or exceed the critical mass quantities at any site.
10. The NRC and USN will mutually arrange for Navy inspectors on inspections of Navy permittees to be accompanied by NRC materials inspectors, to attend appropriate NRC training courses, and to accompany NRC inspectors on inspections as appropriate.
11. The RSC will establish leak test requirements for sources and devices containing licensed material consistent with NRC regulations and license requirements.
12. The RSC will incorporate NRC's inspection criteria into the USN inspection guides to assure compatibility of inspection programs between the USN and the NRC.
13. The RSC will provide copies of reports of Navy inspections of permittees to the NRC.
14. The RSC will maintain an adequate level of professional and clerical staffing to carry out its responsibilities under this license.
15. The RSC will establish, in coordination with NRC, procedures for prompt reporting of incidents to NRC in accordance with applicable regulations.