

CONVERSATION RECORD
(time) (date)

|TIME |DATE

4/22/13

VISIT CONFERENCE TELEPHONE

INCOMING
 OUTGOING

NAME OF PERSON(S) CONTACTED OR IN CONTACT
Mr. Gary Williams, Director, NHPP

ORGANIZATION (OFFICE, DEPT. ETC.)
VA NHPP

TELEPHONE NO.
501-257-1572

SUBJECT

The nine questions below were sent to Shirley Xu in an April 3, 2013, e-mail from Mr. Gary Williams. The purpose of this telephone call was to get clarification from Mr. Williams on questions 1, 2, and 5, and to provide him with answers to the remaining questions. Mr. Williams sent the questions as possible discussion items for a future NRC counterpart meeting (in July 2013) with the master materials licensees (MMLs). The responses below provide initial details for possible further discussion at the counterpart meeting and do not represent a formal NRC interpretation.

SUMMARY

1. What is the legal or regulatory basis to have an LOU?

Mr. Williams stated that questions 1, 2, and 5 were asked because he understood that NRC OGC has suggested (or stated) that since an LOU is essentially an agreement (or contract) between the MML and the NRC, each LOU should be signed by both parties.

[NOTE: Section 03.06 of NRC Inspection Manual Chapter 2810, "Master Material License Oversight and Inspection Program" defines an LOU as a document that identifies the responsibilities and requirements for coordination between the MML and the NRC, as well as those responsibilities which are retained by the NRC. The LOU is signed by representatives from both agencies as a matter of legal commitment.]

As a result, Mr. Williams will have to brief VA management on the VA's LOU with the NRC which is currently under review for revision and must be prepared to respond to questions related to the legal or regulatory basis to have the LOU, that it be signed, and for items to include (or not include) in an LOU.

I informed Mr. Williams that if he needed an answer to these questions he will need to submit them in writing to us and we will forward them to NRC OGC for their review. Mr. Williams understands that there is nothing in the regulations that requires an LOU. LOU's were crafted when the Air Force and Navy received their MML's in the 1980's. Since MML's fundamentally have two responsibilities as both a licensee and regulator, the LOU is a tool that lays the groundwork for the division of responsibilities between the MML and the NRC, both of whom play the role as regulators. There are some regulatory functions that are maintained by the NRC and not delegated to MML's. For example, MML's are not authorized to issue exemptions to NRC regulations. Exemption requests must come through, and be granted by, the NRC. This is specified in each LOU.

Mr. Williams stated that he does not need an answer to questions 1, 2, and 5 at this time. He will wait to see if the Air Force resolves any possible issues with their LOU, which is also currently under review for revision, and what the final draft LOU for the VA looks like after NRC OGC completes its review. Mr. Williams anticipates that if the Air Force signs its LOU, and that if he has no issues with the final draft VA LOU, VA will not have an issue with signing their LOU. His position is subject to review and concurrence by the VA's National Radiation Safety Committee.

However, Mr. Williams did agree that if questions regarding the legal or regulatory basis of LOU's are raised during the VA review process, he would prepare a letter to the NRC asking for a formal, written reply to those questions.

2. What is the legal or regulatory basis to require the LOU to be a separate signed document?

See answer to question no. 1.

3. Which licensees currently have an LOU?

Answer: Three: Air Force, Navy, and the VA.

4. If licensees other than a master materials licensee have an LOU, provide an example for what was included for that licensee.

Answer: Only master material licensees (i.e., the Air Force, Navy, and the VA) have an LOU. Each master materials licensee's LOU is fundamentally the same in that each has similar subject matter in its LOU. Yet each is also unique and specific to the program and needs for that particular licensee.

5. What is the legal or regulatory basis for items to include (or not to include) in an LOU?

See answer to question no 1.

6. What is the status for the generic LOU for NUREG-1556, Volume 10?

Answer: An NRC working group has prepared a draft which has been forwarded to the steering committee for review. The MMLs will have an opportunity to comment on Volume 10, including the generic LOU.

7. What is the status for the VHA amendment request to change the LOU?

Answer: An NRC working group completed a proposed draft LOU. The draft LOU was provided to a VA representative for review. Minor comments from the VA representative were discussed with the NRC VA MML PM and the draft was revised accordingly and has been forwarded to the NRC OGC for review.

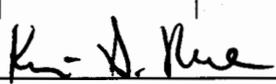
8. What is the status for the USAF reviews for a possible revision to their LOU?

Answer: NRC has completed its review and provided the draft to the Air Force for review. Air Force management plans to wait for the completion of the NRC biennial inspection of their program before they review and sign their LOU.

9. How will future biennial inspections evaluate the status for the LOU for, possible changes or inspect the licensee for compliance with the LOU?

Answer: The revised LOUs will include an item which will state that the NRC and the MML will review the LOU periodically if changes are warranted, and at a minimum, during each biennial inspection. LOU's are tied to each master materials license. Compliance with the LOU's will be reviewed during each biennial inspection in addition to other routine inspection focus areas.

ACTION REQUIRED

NAME OF PERSON DOCUMENTING CONVERSATION	SIGNATURE	DATE
Kevin Null		4/23/13

ACTION TAKEN

SIGNATURE

TITLE

DATE