



April 4, 2014

Hector Luis Rodriguez-Luccioni, Ph.D.  
U.S. Nuclear Regulatory Commission  
Office of Federal and State Materials and Environmental Management Programs  
Division of Materials Safety and State Agreements  
Licensing Branch

Subject: Response to Proposed Director's Decision under 10 CFR 2.206 for Docket Number 030-38594

Dear Mr. Rodriguez-Luccioni:

Effective September 28, 2013, Science Applications International Corporation (SAIC) changed its name to Leidos, Inc. The new corporate address for Leidos is 11951 Freedom Drive in Reston, Virginia 20190. The Security and Transportation Technology Group continues to reside at 2985 Scott Street, Vista, California 92081.

Concern 1. In the Proposed Director's Decision the Commission states under Concern 1 that, "During the initial NRC inspection performed on September 25 - 26, 2013, the inspector determined that CSMI previously provided services as a subcontractor for VACIS systems for several international clients located outside of NRC's jurisdiction for approximately 10 years." Specifically, CSMI was a subcontractor to SAIC in only two instances, Subcontract Nos. 4400087650 and 440097582, dated March 4, 2004 and September 13, 2004, both of which concluded in March and August 2005, respectively, of which neither included scope for any type of maintenance of Military Mobile VACIS systems. The first Military Mobile VACIS, which is the only VACIS system authorized by the CSMI license, was fielded/deployed on June 23, 2007 and CSMI has never been a subcontractor of SAIC (now Leidos) to service and to conduct maintenance on the Military Mobile VACIS systems. It is also important to note that the U.S. Army is the sole customer/end-user for this type of VACIS system which is ITAR-controlled so there are no other cases where CSMI could have been a subcontractor for other international clients.

Concern 2. In the Proposed Director's Decision, the Commission states under Concern 2 that "NUREG-1556, Volume 18, 'Program-Specific Guidance About Service Provider Licenses,' Appendix H provides criteria for training and experience for service providers that the NRC staff finds acceptable for meeting the regulatory requirements. It states that training should emphasize practical subject matter important to the safe handling of licensed materials and that the duration and technical level should be commensurate with the expected hazards encountered during routine and emergency conditions." Furthermore, relative to the training evidence provided by CSMI (e.g., Mobile VACIS Inspection System Maintenance Course) the Commission stated that "the courses provide equivalent training and education in support of the requirements for an authorized user." Although we concur with this finding, the applicable guideline that CSMI should be judged on is Appendix P. While Appendix H provides guidelines for authorized users, CSMI's license (No. 20-35022-01), as issued by the Commission, allows "Installation, radiation surveys, relocation, removal from service, source exchange, source retrieval, transportation, replacement, disposal



of the sealed source, maintenance, or repair of components related to the radiological safety of Science Applications International Corporation Military Mobile VACIS.” As explained in Appendix P, such activities encompass non-routine maintenance (“Non-routine operations include installation of the sealed source/device, initial radiation survey, repair or maintenance involving or potentially affecting components, including electronics, related to the radiological safety (e.g., the source, source holder, source drive mechanism, shutter, shutter control, or shielding), relocation, replacement, and disposal of sealed sources, alignment, removal of a sealed source/device from service, and any other activities during which personnel could receive radiation doses exceeding NRC limits.”). Appendix P states that “applicants wishing to perform non-routine operations must use personnel with special training.” This is a higher level of training than specified in Appendix H.

Concern 3. In the Proposed Director’s Decision the Commission states under Concern 3 that, “During discussions with CSMI’s RSO, the licensee provided clarification to statements made in their license application. Specifically, CSMI stated that it would follow the user’s instructions outlined in the operator’s manual that is readily available at the computer console for the VACIS device or on the Internet. The Proposed Director’s Decision says that this documentation is acceptable because the design of the VACIS device has not changed and the initial procedures continue to apply.” This is contrary to the text of the license issued by the Commission. Specifically, as noted above, License 20-35022-01 Amendment 1 states that CSMI is allowed to conduct the following activities: “Installation, radiation surveys, relocation, removal from service, source exchange, source retrieval, transportation, replacement, disposal of the sealed source, maintenance, or repair of components related to the radiological safety of Science Applications International Corporation Military Mobile VACIS.” As explained to the PRB (page 25 line 22), none of these activities are discussed in the Operator’s Manual for the Military Mobile VACIS product, or for that matter any VACIS product.

CSMI initially requested the ability to conduct non-routine maintenance (see ML13011A413) and when pressed, by the Commission, for NUREG 1556 Volume 18, Appendix P data to support their request they changed their stance to only provide routine maintenance (specifically they stated that they “will not be providing non-routine services for US Govt owned equipment”) (see ML13030A200). This is understandable since in order to comply with the data requirements of NUREG 1556 Volume 18, Appendix P, CSMI would require, as pointed out to the PRB, access to SAIC (now Leidos) proprietary information, which they do not have. Nevertheless, the license specifically authorizes CSMI to conduct the non-routine maintenance activities CSMI had listed initially.

The Commission states in the Proposed Director’s Decision that “Based on the results of the inspection, the NRC staff determined that the information provided in the application represents the licensee’s established process and intent for conducting licensed activities.” There are two problems with this statement: 1) the information provided by CSMI does not comply with the requirements of NUREG 1556 Volume 18, Appendix P, which is necessary to support the activities listed on their license; and 2) the “established process and intent for conducting licensed activities” appears to be based on the assumption that CSMI will only be performing routine maintenance as described in the User’s Manual of the Military



Mobile VACIS system. However, as explained above, the issued license allows non-routine maintenance activities that are not described in the User's Manual of the Military Mobile VACIS system. The license specifically authorizes CSMI to conduct "non-routine" maintenance as described in Appendix P of NUREG 1556 Volume 18.

Concern 4. In the Proposed Director's Decision the Commission states under Concern 4 that, "The licensee clarified that individuals who would be users of the systems were expected to have obtained training from the respective device manufacturer." Again, we would like to point out that CSMI is licensed as a service provider for non-routine maintenance. General VACIS User level training is insufficient for this function and, in accordance with NUREG 1556 Volume 18 Appendix P, a service provider for non-routine maintenance needs "special training" or specific training on the systems they are licensed to provide non-routine service for; in this particular case the Military Mobile VACIS. User training in and of itself is insufficient for non-routine maintenance and service level training for Mobile VACIS systems is insufficient for the Military Mobile VACIS, as the latter product has important safety subsystems that are not present on the Mobile VACIS system. For CSMI to be a service provider for non-routine maintenance of Military Mobile VACIS, their personnel need service level "special" training on Military Mobile VACIS and not user level training on general VACIS products.

In summary, Leidos continues to maintain that CSMI has not demonstrated sufficient competence to safely conduct non-routine maintenance of the SAIC Military Mobile VACIS system. If the Commission will not revoke the CSMI license then this license should, at a minimum, be amended to restrict CSMI to conduct routine maintenance by removing the activities that are considered non-routine as outlined by Appendix P of NUREG 1556 Volume 18, and specified in section 9(1) of CSMI's license. This will align their license with their "established process and intent for conducting licensed activities."

If you have any questions or comments, please contact me at (858) 826-9870 or electronic email: [walthermeadg@leidos.com](mailto:walthermeadg@leidos.com).

Sincerely,

A handwritten signature in black ink, appearing to read "George Walther-Meade".

George Walther-Meade  
Director, Client Services  
Security & Transportation Technology Group  
Leidos