



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

February 10, 2015

MEMORANDUM TO: Hipolito Gonzalez, Chief  
Materials Safety Licensing Branch  
Division of Material Safety, State, Tribal,  
and Rulemaking Programs  
Office of Nuclear Material Safety  
and Safeguards

FROM: Katie Wagner, */RA/*  
Materials Safety Licensing Branch  
Division of Material Safety, State, Tribal,  
and Rulemaking Programs  
Office of Nuclear Material Safety  
and Safeguards

SUBJECT: SUMMARY OF A PUBLIC MEETING WITH MASTER  
MATERIALS LICENSEES ON JANUARY 21, 2015, REGARDING  
NUREG-1556, VOL. 10, REV. 1 (DRAFT REPORT FOR  
COMMENT)

On January 21, 2015, the U.S. Nuclear Regulatory Commission (NRC) staff held a Category 2 public meeting with Master Materials Licensees (MMLs) (the U.S. Departments of the Navy, Air Force, and Veterans Affairs (VA)). The purpose of the meeting was to discuss the proposed resolution of comments received on NUREG-1556, Vol. 10, Rev. 1, "Consolidated Guidance about Materials Licenses: Program-Specific Guidance about Master Materials Licenses" (Draft Report for Comment) with MMLs.

The revised meeting notice can be found in the Agencywide Documents Access and Management System (ADAMS) under Accession No. ML15020A302. The meeting notice is also posted on the NRC's public Web site. Enclosures 1 and 2 are the list of attendees and meeting transcript, respectively. The public Web site notice included the following other documents which were referenced during the discussion: (1) NUREG-1556, Vol. 10, Rev. 1, "Consolidated Guidance about Materials Licenses: Program-Specific Guidance about Master Materials Licenses" (Draft Report for Comment) (ADAMS Accession No. ML14105A093) and (2) Draft Comment Resolution – External comments on NUREG-1556, Vol. 10, Rev. 1, "Consolidated Guidance about Materials Licenses: Program-Specific Guidance about Master Materials Licenses" (Draft Report for Comment) (ADAMS Accession No. ML15013A125).

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Bob Hagar (an NRC in-house facilitator) and Hipolito Gonzalez opened the meeting by: welcoming attendees, taking roll of who was in attendance, explaining the structure of the meeting, and calling upon Shirley Xu (the NUREG-1556, Vol. 10 Working Group (WG) lead) to give an overview of the process followed by the Vol. 10 WG during the resolution of comments and common themes in the comments.

### Overview of Comment Resolution Process and Common Themes in Comments

Shirley Xu briefly described the Vol. 10 WG's comment resolution process and common themes present in comments. These themes were:

1. Jurisdictional designation (specifically whether the information requested in Vol. 10, Rev. 1, should be provided by MMLs or parties permitted by MMLs (called permittees));
2. Financial requirements (verifying adequate resources and personnel are available to support the MML's regulatory program);
3. Corrective action programs (whether an MML or permittee should have this type of program and whether the MML or permittee should be directly responsible for the corrective actions); and
4. Letter of Understanding (LOU) requirements (signatory requirements, whether the LOU should be revised periodically, and in conjunction with that, if a ten-year license expiration date should be instated).

Ms. Xu noted that the Vol. 10 WG reviewed comments against NRC regulations and attempted to maintain a degree of consistency between Vol. 10, Rev. 1, and the other 20 NUREG-1556 volumes.

### Summary of MML Concerns

During the meeting, the MML personnel expressed the following items as main concerns or issues (for greater detail, please see the meeting transcript):

1. An MML representative of the Navy voiced a concern that there was no MML representation on the on Vol. 10 WG to lend an MML perspective during the revision of Vol. 10.
2. An MML representative of the Navy stated a broad concern about some items in Vol. 10, Rev. 1, being required at the MML jurisdiction level versus the smaller-scale permittee level and questioned the effectiveness of this approach since it would involve a significant change in the way the MMLs operated their programs.

Later during the meeting, an MML representative from the VA brought up the specific example of Comment 31 in the Draft Comment Resolution addressing Section 5.10.3 in Vol. 10, Rev. 1, for discussion to help the NRC staff understand the MMLs' confusion about the roles of a control program office versus a permittee.

3. MML representatives from the Navy and the Air Force asserted in a general comment that it was unclear which parts of Vol. 10, Rev. 1, applied to existing MMLs versus applicant or new MMLs, especially in cases where existing MMLs may apply for license amendments in the future.
4. An MML representative from the Navy voiced a concern about whether existing MMLs could be asked to “refresh” their programs to be like potential new MMLs.
5. Several MML representatives expressed that they had concerns about volumes of NUREG-1556 being used as mandatory “regulatory documents” since they were in the LOU for some MMLs (which lead to general uneasiness over the contents of multiple NUREG-1556 volumes being revised). Specifically, some MMLs have been interpreting having NUREG-1556 volumes in the LOU as meaning that those NUREGs must be followed and everything under the NUREGs, even a suggestion, becomes a part of the license (i.e., “shoulds” in the NUREGs become “shalls”).
6. An MML representative from the VA raised a concern about a perception that Vol. 10, Rev. 1, required MMLs to have a special corrective action program at the overall MML level.
7. An MML representative from the Navy articulated comments he had on financial requirements in Vol. 10, Rev. 1. First, he expressed that it did not make sense to have NRC license reviewers evaluate the financial status of a federal entity like the Navy which has a multi-billion-dollar budget. Secondly, he stated that the requirement for a “manager from the applicant’s finance organization” to be on the MML’s Master Radiation Safety Committee in Section 5.7.2 in Vol. 10, Rev.1, could be worded more effectively.

#### Summary of NRC Staff Responses to MML Concerns and Closing Discussion

The NRC staff responded, respectively, to the MML concerns (as listed above):

1. Regarding the lack of MML representation on the Vol. 10 WG, NRC staff stated that although the Vol. 10 WG recognized the value of MML input, it could be viewed as a conflict of interest to involve licensees (e.g., MMLs) during the writing of guidance documents.
2. Regarding the broad concern that about some items in Vol. 10, Rev. 1, being required at the MML jurisdiction level versus the smaller-scale permittee level, NRC staff will reexamine the explanations in the Draft Comment Resolution and will consider rewriting the language on this subject in Vol. 10, Rev. 1, to clarify the roles of the licensee versus the permittee (including the language in Section 5.10.3).
3. Regarding the general comment that it was unclear which parts of Vol. 10, Rev. 1 applied to existing MMLs versus applicant or new MMLs, especially in cases where existing MMLs may apply for license amendments in the future; NRC staff will clarify either the Draft Comment Resolution or language in Vol. 10, Rev. 1.

4. Regarding the concern about whether existing MMLs could be asked to “refresh” their programs to be like potential new MMLs, NRC staff replied that any “refreshing” would mainly be a discussion about updating the LOU during a biennial inspection if both the MML and NRC inspectors agreed that some part of the LOU needed to be revised based on a new regulation or policy.
5. Regarding the MML interpretation that having NUREG-1556 volumes in the LOU converts all “shoulds” in the NUREGs into “shalls,” NRC staff replied that they would check with the NRC Office of the General Council (OGC) to get OGC’s interpretation. NRC staff also explained that their current understanding of the basis for having the NUREG-1556 volumes in the LOU was that it was to give the MML authority to be a regulator and review applications for permits to use radioactive material using the same guidance that the NRC uses to review license applications.
6. Regarding the MML perception that Vol. 10, Rev. 1, required MMLs to have a special corrective action program at the overall MML level, NRC staff replied that a corrective action program is not required and the Vol. 10 WG will reconsider the wording of the suggestion for MMLs to have a corrective action program in Vol. 10, Rev. 1.
7. Regarding the MML comments on financial requirements in Vol. 10, Rev. 1, the NRC staff first said they would consider ways to better explain their reasoning for retaining the language on financial status. Secondly, the NRC staff stated they would consider rewriting the language about the requirement for a “manager from the applicant’s finance organization” in Section 5.7.2 of Vol. 10, Rev.1, to make the Vol. 10 WG’s intention clearer.

Throughout the meeting, MML participants expressed interest in having another opportunity to comment on the revised draft of Vol. 10, Rev. 1. At the end of the meeting, in light of the multiple NRC commitments to “reconsider” many of the major items that the MMLs had concerns with, the MMLs said they deemed their comments to be open and continued to show strong interest in an opportunity to comment on the revised draft. NRC staff agreed to this approach.

Mr. Gonzalez closed the meeting by thanking everyone for the constructive conversations, reiterating that the MMLs would have another opportunity to view the revisions made to Vol. 10, Rev. 1, and stating that the NRC staff would have conversations about next steps in the revision process. Mr. Hagar reminded everyone about the opportunity to give feedback on the meeting.

Enclosures:

1. List of Attendees
2. Meeting Transcript

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**ML15035A385**

<b>OFC</b>	MSTR/MSLB	MSTR/MSLB	MSTR/MSLB	MSTR/MSLB
<b>NAME</b>	KWagner	SXu	HGonzalez	KWagner
<b>DATE</b>	2/05/15	2/09/15	2/09/15	2/10/15

**OFFICIAL RECORD COPY**

## LIST OF ATTENDEES

### Discussion of Proposed Resolution of Comments on NUREG-1556, Vol. 10, Rev. 1 – “Consolidated Guidance about Materials Licenses: Program-Specific Guidance about Master Materials Licenses” (Draft Report for Comment)

Wednesday, January 21, 2015

<u>NAME</u>	<u>ORGANIZATION</u>
Hipolito Gonzalez	NRC/NMSS/MSTR/MSLB
Anthony McMurtray	NRC/NMSS/MSTR/MSLB
Shirley Xu	NRC/NMSS/MSTR/MSLB
Katie Wagner	NRC/NMSS/MSTR/MSLB
Sandra Johnson	NRC/NMSS/MSTR
Marcia Pringle	NRC/NMSS/MSTR
Shawn Seeley	NRC/RI/DNMS/MB
Kevin Null	NRC/RIII/DNMS/MLB
Michelle Simmons	NRC/RIV/DNMS/NMSB-B
Esther Houseman	NRC/OGC
Mark Graff	NRC/OGC
Bob Hagar**	NRC
Doug Fletcher	Navy
Lino Fragoso	Navy
Daniel Shaw	Air Force
Craig Refosco	Air Force
Tom Huston*	VA
Paul Yurko*	VA
Bob Dansereau*	New York State Health and Independent Member of the Public
Ruth Thomas*	Environmentalists, Inc.

NMSS = Office of Nuclear Material Safety and Safeguards

MSTR = Division of Material Safety, State, Tribal, and Rulemaking Programs

MSLB = Materials Safety Licensing Branch

OGC = Office of the General Counsel

\* = Present by teleconference

\*\* = Meeting Facilitator