

FCML:JMB  
(070-01216)  
(16733)

OCT 6 1980

Department of the Navy  
ATTN: Commander  
Naval Ocean Systems Center  
San Diego, California 92152

Your Reference: 43:WJM:lm  
3253.88  
Ser: 0763

Gentlemen:

This refers to your application dated June 20, 1980, for the renewal of your Special Nuclear Material License No. SNM-1154, Docket No. 070-01216, and specifically to Section 2.c. which is for the reinstatement of your test program for the pure plutonium oxide heat sources in the ocean environment just off shore of the Marine Environmental Test Site, North Light Harbor, San Clemente Island, California.

Due to the fact that the tests performed by Lawrence Livermore Laboratory following the cessation of your program in 1978 show evidence that documented levels of plutonium-238 now persist in the marine environment at San Clemente Island and further testing is expected to result in additional releases, however small, pursuant to Section 2.103(b), you are hereby notified of the proposed denial of Section 2. c. of your renewal application. This notice of the proposed denial is considered to be in the public interest and is issued without prejudice. The bases for this denial are as follows:

- (1) The applicant has not shown evidence why continued testing in the ocean environment is necessary and why laboratory simulated studies under controlled conditions can not be used to obtain the desired information.
- (2) The unknowns resulting from continued testing are too numerous to be properly evaluated without the benefit of a complete environmental assessment, which has not been provided by the applicant.
- (3) The applicant has not shown evidence of prior consideration of the requirements of the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter and whether there would be a need for the special permit that would be required from the Environmental Protection Agency (EPA) under 40 CFR §§220-229.

8070290051 Hold

OFFICE						
SURNAME						
DATE						

OCT 6 1980

As specified in 10 CFR §2.103, you may request a hearing with respect to this proposed denial within twenty (20) days from the date of this notice. Unless a hearing is requested, the denial of Section 2. c. of your application for the renewal of your Special Nuclear Material License No. 1154, Docket No. 070-01216, will become effective twenty (20) days from the date of this notice.

Other on-going activities under your deemed timely license renewal application may continue. The staff of the Material Licensing Branch, Division of Fuel Cycle and Material Safety, will contact you under separate cover with regard to any additional information needed in support of your renewal request for the existing deemed timely license.

Sincerely,

Original Signed by  
Richard E. Cunningham

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

cc: Radiological Affairs Support Office  
Naval Nuclear Power Unit  
Port Hueneme, CA 93043

DISTRIBUTION

RECunningham  
TFCarter  
DANussbaumer  
RFonner  
VMiller  
WWalker  
JBrown  
NMSS R/F  
MLB R/F

FCML  
JBrown:ma  
9/24/80