



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
2100 RENAISSANCE BOULEVARD, SUITE 100
KING OF PRUSSIA, PA 19406-2713

November 8, 2021

EA-21-113

Erin Kern, Director
Shore Readiness Division (N46)
Department of the Navy
2000 Navy Pentagon
Washington, DC 20350

SUBJECT: THE DEPARTMENT OF THE NAVY - NOTICE OF VIOLATION - NRC
INSPECTION REPORT NO. 03029462/2021006

Dear Ms. Kern:

This letter refers to the routine inspection conducted June 21 through June 24, 2021, with continued in-office review through September 7, 2021, of activities performed under the Department of the Navy's (Navy's) NRC Master Materials License (MML). The purpose of the inspection was to examine the Navy's licensed activities as they relate to radiation safety, compliance with the Commission's regulations, and the conditions in the MML. Based on the results of the inspection, the NRC identified apparent violations (AVs) of NRC requirements. NRC staff discussed the AVs with you during a telephonic exit meeting on September 7, 2021, and described the AVs in the NRC inspection report sent to you with a letter dated September 22, 2021 (ML21265A314)¹. The inspection report, and the AVs described therein, concern Security-Related Information in accordance with 10 CFR 2.390(d)(1), and disclosure to unauthorized individuals could present a security vulnerability. Consequently, the inspection report enclosed with the September 22, 2021, letter was not publicly available and details regarding the AVs were provided in a non-public enclosure.

In the letter transmitting the inspection report, we informed you that one or more of the AVs identified in the report were being considered for escalated enforcement action and provided you an opportunity to address the AVs by either attending a pre-decisional enforcement conference (PEC) or by providing a written response before we made our final enforcement decision. We also informed you that we had sufficient information regarding the AVs and the Navy's corrective actions to make an enforcement decision without the need for a PEC. In a telephone call on September 30, 2021, Capt. Tony Williams of your organization informed Chris Cahill, Chief, Commercial, Industrial, R&D, and Academic Branch, that the Navy did not request a PEC and did not intend to provide a written response.

Enclosure transmitted herewith contains Sensitive, Unclassified, Non-Safeguards Information. When separated from the Enclosure, the transmittal document is decontrolled.

¹ Designation in parentheses refers to an Agency-wide Documents Access and Management System (ADAMS) accession number. Documents referenced in this letter are publicly-available using the accession number in ADAMS.

Based on the information identified during the inspection, the NRC has determined that violations of NRC requirements occurred. The violations are cited in the Notice of Violation (Notice), provided as a non-public enclosure, and the circumstances surrounding them are described in detail in the subject inspection report. In consideration of the relationship between the violations, the NRC has categorized them collectively as a single SL III problem. In accordance with the NRC Enforcement Policy, a base civil penalty in the amount of \$15,000 is considered for a SL III problem. Because your facility has not been the subject of escalated enforcement actions within the last two inspections, the NRC considered whether credit was warranted for *Corrective Action* in accordance with the civil penalty assessment process in Section 2.3.4 of the Enforcement Policy. The NRC staff determined that the the Navy took prompt and comprehensive corrective actions, and credit is, therefore, warranted. Enclosure 2 (non-public) provides an explanation of the severity level determinations and a description of the Navy's corrective actions to address the violations. Therefore, to encourage prompt and comprehensive correction of violations, and in recognition of the absence of previous escalated enforcement action, I have been authorized, after consultation with the Director, Office of Enforcement, not to propose a civil penalty in this case. However, significant violations in the future could result in a civil penalty. In addition, issuance of this SL III problem constitutes escalated enforcement action that may subject you to increased inspection effort.

The NRC has concluded that information regarding: (1) the reason for the violations; (2) the corrective actions that have been taken and the results achieved; and (3) the date when full compliance was achieved is already adequately addressed on the docket in Inspection Report No. 03029462/2021006. Therefore, you are not required to respond to this letter unless the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed Notice.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Website at <http://www.nrc.gov/reading-rm/adams.html>. However, the material enclosed herewith contains Security-Related Information as described above. Therefore, the material in the enclosure will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS). If you choose to respond and Security-Related Information is necessary to provide an acceptable response, please mark your entire response Security-Related Information in accordance with 10 CFR 2.390(d)(1) and follow the instructions for withholding in 10 CFR 2.390(b)(1). In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response. The NRC also includes significant enforcement actions on its Web site at <http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions/>.

E. Kern

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If you have any questions concerning this matter, please contact Steve Shaffer of my staff at Steve.Shaffer@nrc.gov.

Sincerely,

David C. Lew
Regional Administrator

Docket No. 03029462
License No. 45-23645-01NA

Enclosures:

1. Notice of Violation (non-public)
2. Determination of Severity Level
and Description of Corrective Actions (non-public)

~~OFFICIAL USE ONLY – SECURITY RELATED INFORMATION~~

E. Kern

SUBJECT: THE DEPARTMENT OF THE NAVY - NOTICE OF VIOLATION - NRC INSPECTION REPORT NO. 03029462/2021006 DATED NOVEMBER 8, 2021

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ML21273A181

DOCUMENT NAME: [https://usnrc-my.sharepoint.com/personal/mmm3_nrc_gov/Documents/MMM3/Shared Enforcement/Final Actions/PUBLIC Navy MML NOV-III EA-21-113.docx](https://usnrc-my.sharepoint.com/personal/mmm3_nrc_gov/Documents/MMM3/Shared%20Enforcement/Final%20Actions/PUBLIC%20Navy%20MML%20NOV-III%20EA-21-113.docx)

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