



DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
2000 NAVY PENTAGON
WASHINGTON, D.C. 20350-2000

IN REPLY REFER TO

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19 Sep 1996

U.S. Nuclear Regulatory Commission
Document Control Desk
Washington, DC 20555

REPLY TO A NOTICE OF VIOLATION (NRC Inspection Report
No. 45-23645-01NA/96-05, Docket No. 030-29462)

Gentlemen and Ladies:

This is in response to the Nuclear Regulatory Commission, Region II, letter of August 9, 1996, Docket No. 030-29462, Subject: NRC Inspection Report No. 45-23645-01NA/96-05 and Notice of Violation (NOV). The letter cited violations of NRC requirements in the commodities programs of Naval Sea Systems Command and Naval Supply Systems Command, operating under Navy Radioactive Materials Permits No. 08-00024-T1NP, 45-00023-T1NP and 45-00023-T2NP, respectively. Four Severity Level IV violations were noted. Pursuant to the provisions of 10 CFR 2.201, and as requested by the NRC Region II NOV promulgating letter, responses to the violations are provided in the enclosure. An extension of the reporting deadline was granted by NRC Region II to September 23, 1996.

Status reports of corrective actions have been submitted on two previous occasions. Commodities program managers at both systems commands continue to reconcile inventories with historical documents recording receipt, transfer and disposal of commodities. Additionally, both continue to scrutinize management protocols to institute the most effective means of control and accountability of the numerous commodities within the Navy supply system. Both systems commands also have instituted initiatives to procure radioactive commodities that are classified as exempt or generally licensed, if available, thereby simplifying the rigorous accountability requirements currently in force for specifically licensed items.

The technical support center, NAVSEADET RASO, continues to work closely with both permittees to complete the necessary corrective actions and to improve the efficiency of the programs. RASO is scheduled to inspect the permits in early December 1996 to monitor the progress of corrective actions.

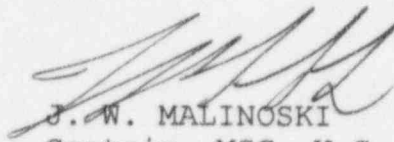
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A comprehensive formal inspection of the permits will be conducted within six months of the reported completion of corrective actions.

Sincerely,



J. W. MALINOSKI
Captain, MSC, U.S. Navy
Executive Secretary
Navy Radiation Safety Committee

Encl:

- (1) Reply to a Notice of Violation
(NRC Inspection Report
No. 45-23645-01NA/96-05)

Copy to:
Regional Administrator, NRC Region II
NAVSEA (04R)
NAVSUP (421)

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Cited Violation A: 10 CFR 30.41 requires, in part, that no licensee transfer byproduct material except to a person authorized to receive such byproduct material under the terms of a specific or general license issued by the Commission or an Agreement State and that, prior to transferring byproduct material, the licensee verify that the transferee's license authorizes the receipt of the type, form, and quantity of byproduct material to be transferred.

Contrary to the above, prior to June 19, 1996, the licensee transferred byproduct material to persons and did not verify that the transferee was authorized to receive the material. Specific examples of byproduct material transferred were:

1. Compasses, each containing 15.5 millicuries of promethium-147, were transferred to the U.S. Coast Guard and the U.S. Army.

2. Ice detection devices, each containing 50 microcuries of strontium-90, were transferred to the Defense Logistics Agency.

Reason for the Violation -

1. By instruction, verification of possession of a license to receive licensed material is the responsibility of the issuing supply point. However, since the transfers in question were directed by the commodity item manager, the issuing activity erroneously assumed that the transfers complied with all regulations.

2. Inventory management of these items was transferred to the Defense Logistics Agency (DLA) as part of a general transfer of selected supply responsibilities from Navy to DLA by the Inventory Control Point (ICP) without the knowledge or permission of the Permit Radiation Safety Officer (RSO).

Corrective steps taken and results achieved -

1. Item managers and stock issuing points have been directed separately, via official correspondence, that transfers may not be initiated unless the item manager has verified that the potential receiver has a license authorizing possession of the item.

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2. The Navy ICP has resumed management control of the ice detector probes.

Corrective steps to be taken to avoid further violations -

1. Those permit items currently in possession of Army and U.S. Coast Guard activities are being recalled and will be properly disposed. Current and future procurements of these items will be purchased from those manufacturers holding a general license to distribute these items to lessen the stringency of the possession and use requirements.

2. The commodity item managers have been directed by letter not to transfer item management to any activity before they verify that the activity has a license for the item and the approval of the Naval Supply Command Radiation Safety Officer. Correspondence has been sent by the program manager directing stock issue points to comply with current instructions requiring that the receiver hold a license to possess these items before transfer. Research is being conducted to replace all specifically licensed aircraft safety items with generally licensed items to lessen the stringency of possession and use requirements.

Date when full compliance will be achieved - 31 January 1997

Cited Violation B: 10 CFR 30.51(a) requires, in part, that each licensee keep records showing the receipt, transfer, export, and disposal of byproduct material.

Contrary to the above, prior to June 19, 1996, the licensee failed to keep records showing the receipt, transfer and disposal of byproduct material possessed and used under Navy Permits No. 45-00023-T1NP, 08(45)-00023-T2NP, and 08-00024-T1NP.

Reason for the Violation -

1. NRMP No. 45-00023-T1NP and 08-00023-T2NP - The RSO and ICPs did not fully comprehend the requirement of the permit to follow the radioactive material from receipt to disposal. Because the ICPs routinely perform inventories for stocking purposes, they used these figures as their inventories vice inventory and reconciliation to the user level.

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2. NRMP No. 08-00024-T1NP - The RSO did not recognize the requirement to retain these records in a manageable format.

Corrective steps taken and results achieved -

1. NRMP No. 45-00023-T1NP and 08-00023-T2NP. Over 25 years of procurement, transfer and disposal documentation is currently being reviewed to determine a baseline inventory. In addition, a detailed inventory is being performed down to the user level to obtain a thorough accounting of all items. A centralized file for receipt, transfer, and disposal documents will be maintained by the Permit RSO.

2. NRMP No. 08-00024-T1NP. The instruments listed in this permit have been procured over the last 30 years or more. Many records are no longer available to account for all procurements. Over 250 procurement contracts have been identified and several thousand transfer and disposal documents from 18 calibration laboratories are currently being reviewed to determine a baseline inventory. A centralized file for all receipt, transfer and disposal documents will be maintained by the Permit RSO.

Corrective steps to be taken to avoid further violations -

1. NRMP No. 45-00023-T1NP and 08-00023-T2NP. The Permit will be amended to describe specifically the requirements and responsibilities of the RSO, item managers, stock issue points, and end users in maintaining receipt, transfer and disposal records.

2. NRMP No. 08-00024-T1NP. The Permit will be amended to describe specifically the requirements and responsibilities of the Permit RSO, the RADIAC Technical Support Center, and calibration laboratories.

Date full compliance will be achieved - 31 January 1997

Cited Violation C: Condition No. 19.A. of License No. 45-23645-01NA states that the licensee shall require permittees to conduct a physical inventory every six months to account for all sources and/or devices received and possessed under their respective permit. Condition 19.B. specifies that notwithstanding Paragraph A, the licensee

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may authorize permittees to conduct a physical inventory every 12 months of certain sealed sources and/or devices specified in letter dated January 14, 1992. Conditions No. 18, 20, and 18 of Permits No. 45-00023-T1NP, 08-00024-T1NP, and 08(45)-00023-T2NP, respectively, require the permittee to conduct a physical inventory every 12 months to account for all sources and/or devices received and possessed under their permit.

Contrary to the above, between 1989 and June 19, 1996, inventories of sealed sources and/or devices were not conducted every twelve months. Specifically, the permittee failed to conduct physical inventories for material possessed under Permits No. 45-00023-T1NP, 08-00024-T1NP, and 08(45)-00023-T2NP.

Reason for the Violation -

1. Permits No. 45-00023-T1NP and 08-00023-T2NP. Inventory records are maintained at inventory control points and at stock points throughout the Navy for issue to end users. The RSO erroneously interpreted this as meeting the permit inventory requirements vice conducting inventories down to the end user level and reconciling any discrepancies.

2. Permit No. 08-00024-T1NP - Inventories are maintained at the calibration laboratories. The RSO erroneously interpreted this as meeting the permit requirements vice conducting inventories down to the end user level and reconciling any discrepancies.

Corrective steps taken and results achieved -

1. NRMP No. 45-00023-T1NP. An official Navy message has been sent to over 500 activities, including Army and Coast Guard, requiring reconciliation of all permit controlled divers' items. These items have not been purchased since 1985 and have not been carried by the supply system for several years. The message also removed the items from authorized use and directed turn-in of the items for disposal. Replies, including negative responses, are required prior to 30 September 1996. To date, 10% of the activities have replied.

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2. NRMP No. 08-00023-T2NP. Inventories at Naval Supply Centers for aviation material has been completed. A Naval message requesting inventory reconciliation within a reasonable period of time by all end users is being prepared and will be sent by the end of September 1996. Many of these items have been identified as obsolete will be turned in for documented disposal.

3. NRMP No. 08-00024-T1NP. An inventory of all permit sources is currently being conducted. This inventory involves 530 activities and over 10,000 items. Currently, the inventory is 10% complete. All of the UDM-10 sources have been accounted for. Efforts are being concentrated at this time on the TS-1189 sources because of the size of the sources (< 1mCi), discrepancies noted with serial numbers, and because this device does not enter the calibration laboratory for routine calibration. The Naval Reactors Program is currently reconciling their inventories and serial numbers of permit controlled items.

Corrective steps to be taken to avoid further violations -

1. NRMP No. 45-00023-T1NP and 08-00023-T2NP. Both permits will be amended to clarify the responsibilities of the RSO and procedures to be used in reconciling the inventory of permitted sources.

2. NRMP No. 08-00024-T1NP. The permit will be amended to clarify the responsibilities and procedures of the RSO in reconciling the inventory of permitted sources.

Date full compliance will be achieved - 31 January 1997

Cited Violation D: Condition No. 22 of License No. 45-23645-01NA requires that the licensee conduct its program in accordance with the statement, representations, and procedures contained in certain specified documents. Understanding dated March 23, 1987, specified in License Condition No. 22.C, states in Step 12 that the licensee will establish leak test requirements for sources and devices containing licensed material consistent with NRC regulations and license requirements.

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Condition No. 17 of Permit No. 08-00024-T1NP requires that sealed sources be leak tested at six month intervals, unless in storage and not being used, and that the records of leak tests be maintained for inspection by the Navy Radiation Safety Committee.

Contrary to the above, leak tests were not performed on sources every six months as required.

Reason for the Violation -

NRMP No. 08-00024-T1NP. A file of leak test reports was being maintained at the RADIAC Program Office, however, these reports were not reconciled against a list of sources and thus resulted in incomplete records. Failure to reconcile leak test reports against an active list of sources prevented the RSO from identifying sources which had not been leak tested at the required frequency.

Corrective steps taken and results achieved -

NRMP No. 08-00024-T1NP. Leak test reports are being collected from all activities possessing the TS-1189 and AN/UDM-10 to establish a complete database. Activities which have failed to perform leak tests as required will be immediately notified and directed to comply.

Corrective steps to be taken to avoid further violations -

NRMP No. 08-00024-T1NP. A complete file of leak test reports will be maintained at the RADIAC Program Office and verified at least semi-annually as a formal audit by the permit RSO. About 95% of the UDM-10s have been transferred to individual NRMPs held by the RADIAC Calibration laboratories. Once transfer is complete, the UDM-10 source can be removed from the permit. The individual calibration laboratories will then be solely responsible for maintaining leak test records. Compliance is and will be monitored by NAVSEADET RASO during inspections of each calibration laboratory.

Date when full compliance will be achieved - 31 January 1997