



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

IN REPLY REFER TO

5104
Ser N455/7U595129
06 Feb 1997

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

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 Notice of Violation (NOV). The letter cited violations of NRC requirements in the commodities programs of Naval Sea Systems Command (NAVSEA 04R) and Naval Supply Systems Command (NAVSUP), operating under Navy Radioactive Materials Permits (NRMP) 08-00024-T1NP, 45-00023-T1NP, and 45-00023-T2NP, respectively. Pursuant to the provisions of 10 CFR 2.201, and as requested by the NRC Region II NOV promulgating letter, responses to violations are provided in the enclosure.

In summary, both NAVSUP and NAVSEA 04R have gathered historical procurement and disposal records into a centralized file for record retention. Commodities program managers at both systems commands have completed Navy wide inventories and continue to reconcile historical documents of receipt, transfer and disposal of commodities. All three NRMPs have been amended to clarify the duties and responsibilities of key personnel who handle radioactive commodities. NAVSUP has taken action to prevent further transfers to unauthorized personnel and has recalled the previously issued material. NAVSEA 04R has collected historical leak-test records and established a centralized file to track future leak-test records.

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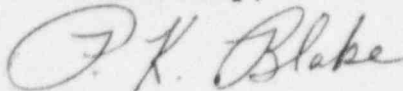
NAVSEADET RASO inspectors, Commander David E. Farrand and Mr. Timothy P. Hart, conducted an on-site program review of NRMP No. 08-00024-T1NP on 5-6 December 1996 at the RADIAC Technical Support Center in Charleston S.C. and NRMP Nos. 45-00023-T1NP and 45-00023-T2NP on 13 December 1996 at the NAVSUPSYSCOM Occupational Safety and Health Office in Norfolk, Va. Program review emphasis as placed on assessing the status of and providing guidance concerning actions being taken to correct NRC-identified violations for NRMP Nos. 08-00024-T1NP, 45-00023-T1NP and 45-00023-T2NP. A

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comprehensive formal inspection of the permits will be conducted by NAVSEADET RASO within six months.

Sincerely,

A handwritten signature in cursive script, appearing to read "P. K. Blake".

P. K. BLAKE
Commander, 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) (07R)
NAVSUP (421)
NAVSEADET RASO

REPLY TO A NOTICE OF VIOLATION
NRC Inspection Report No. 45-23645-01NA/95-05,
Docket 030-29462

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 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 RSO.

Corrective steps taken and results achieved -

1. Item managers and Fleet Industrial Supply Centers 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. The Army and Coast Guard have been directed to return the material to Navy control.

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2. The Navy Inventory Control Point (ICP) has resumed management control of the ice detector probes.

Corrective steps to be taken to avoid further violations -

1. Current and future procurements of the cited items will be purchased from those manufacturers holding a general license to distribute those items to lessen the stringency of possession and use requirements.

Full compliance is considered achieved.

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 used under NRMP Nos. 45-00023-T1NP, 45-00023-T2NP and 08-00024-T1NP.

Reason for Violation -

1. NRMP No. 45-00023-T1NP and 45-00023-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.

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. NAVSUPSYSCOM has completed the following corrective actions:

a. Over 25 years of procurement, transfer, and disposal documentation has been reviewed.

b. An inventory at more than 300 commands has been conducted.

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c. A centralized file for receipt, transfer, and disposal documents has been established and will be maintained by the Radiation Safety Officer.

d. The NRMPs have been amended to define the Radiation Safety Officer's responsibilities for collecting and maintaining these records.

2. NAVSEA 04R has completed the following corrective actions:

a. Over 250 procurement contracts have been reviewed.

b. Transfer and disposal documents from 18 calibration laboratories have been reviewed.

c. A centralized file for receipt, transfer, and disposal documents has been established. The RADIAC Technical Support Center will collect and maintain these records for the RSO.

d. The NRMP has been amended to define the responsibilities of the Radiation Safety Officer (RSO), the RADIAC Technical Support Center and the calibration laboratories for collecting, maintaining, reconciling these records.

Corrective steps to be taken to avoid further violations -
Results achieved above should be sufficient to avoid further violations.

Full compliance is considered achieved.

Cited Violation C: Condition No. 19.A of NRC 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 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. Condition Nos. 18, 20, and 18 of NRMP Nos. 45-00023-T1NP, 08-00024-T1NP, and 45-00023-T2NP respectively, requires the permittee to conduct a physical inventory every 12 months to account for all sources and/or devices received and possessed under their permit.

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Contrary to the above, between 1989 and June, 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 NRMP Nos. 45-00023-T1NP and 45-00023-T2NP and 08-00024-T1NP.

Reason for Violation -

1. Permits No. 45-00023-T1NP and 45-00023-T2NP: Inventory records are maintained at ICPs 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 -

A physical inventory was conducted for each commodity, to establish the current quantity of the material held by the Navy. Over twenty-five years of procurement, disposal, and issue records are being reviewed. Reconciliation of on-hand inventory with procurement and disposal records is continuing in an attempt to identify any lost material.

1. NAVSUPSYSCOM has completed the following corrective actions:

- a. NRMP No. 45-00023-T1NP. A naval message was sent to over 500 Navy, Army, and Coast Guard activities, requiring an inventory and reporting of all NRMP controlled divers' items. The message removed the items from authorized use and directed turn-in of the items for disposal. Replies, including negative responses, were required. These items have not been purchased since 1985 and have not been stocked by the supply system for several years.

- b. NRMP No. 45-00023-T2NP. A naval message was sent, requiring a physical inventory and reporting of all NRMP controlled aviation material.

- c. Annual inventories will be conducted every October for both NRPMs.

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d. Both NRMPs have been amended to define the Radiation Safety Officer's responsibilities for conducting and reconciling the inventory of radioactive material.

2. NAVSEA 04R has completed the following corrective actions:

a. An inventory of all permitted sources has been conducted. This inventory involved 530 activities and over 10,000 items. To maintain inventories current, RADIACs in each end user's possession are being physically inventoried each time the item is returned to a calibration laboratory for calibration. This inventory is being entered into a computerized data system, the Calibration Recall Inventory System, (CRIS). Items held in the supply system will be physically inventoried annually by the respective RADIAC Field Manager. A review of the CRIS system, disposal records, reports of lost material, and data provided by the RADIAC Field Managers will be conducted by the RADIAC Technical Support Center annually and reported as the physical inventory to the RSO.

b. The NRMP has been amended to define the responsibilities of the Radiation Safety Officer (RSO), the RADIAC Technical Support Center and the calibration laboratories for conducting and reconciling the inventory of radioactive material.

Corrective steps to be taken to avoid further violations -
Results achieved above should be sufficient to avoid further violations.

Full compliance is considered achieved.

Cited Violation D: Condition No. 22 of NRC 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. Condition No. 17 of NRMP 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.

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

Reason for Violation - 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 required frequency.

Corrective steps taken and results achieved -

Leak tests are required for the following sources held under NRMP No. 08-00024-T1NP; the AN/UDM-10 calibrators, all models of the TS-1189, and AN/PDR-18 and 18B RADIAC instruments.

1. A complete file of leak test reports has been established. Performance of leak tests will be closely monitored to ensure compliance with the requirements. Activities which fail to perform leak tests as required, will be immediately notified and directed to comply. A semi-annual formal audit of leak test records will be performed by the RSO.
2. Leak test reports have been collected for all AN/UDM-10 calibrators and a data base has been established to track the leak test results. All AN/UDM-10 leak tests are current.
3. Leak test reports have been received from all activities possessing TS-1189s under the NRMP and a data base has been established to track the leak test results. All TS-1189 leak tests are current.
4. A physical search, and a review of procurement and disposal records indicates that the AN/PDR-18 and 18B are no longer possessed by the Navy.

Corrective steps to be taken to avoid further violations - Results achieved above should be sufficient to avoid further violations.

Full compliance is considered achieved.

Enclosure (1)