

March 5, 1997

Department of the Navy
Chief of Naval Operations (N-45)
Navy Radiation Safety Committee
ATTN: RADM J. Totushek
Chairman
Washington, DC 20350-2000

SUBJECT: NRC INSPECTION REPORT 45-23645-01NA/96-05

Dear Admiral Totushek:

Thank you for your supplemental response of February 6, 1997, to our Notice of Violation, issued on August 9, 1996, concerning activities conducted under NRC License No. 45-23645-01NA. We have evaluated your response and have questions regarding some of the results of your corrective actions. Mr. Jay Henson of my staff discussed these questions with CDR Paul Blake in a telephone conversation on February 13, 1997. As discussed in this conversation, please provide the additional information requested below:

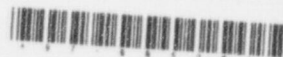
1. In your description of the corrective steps taken and results achieved for cited Violation A, you stated that the Army and Coast Guard have been directed to return the byproduct material to Navy control. Please specify if this material has been returned to Navy control or if you have determined that the Army and/or Coast Guard are authorized to possess this material under another license (specify appropriate license number). Also specify if the Defense Logistics Agency is authorized to possess the strontium-90 ice detection devices (specify license number) or if the devices were returned to Navy control.

The corrective step to be taken to avoid further violations you described for this violation does not discuss how a future recurrence of this violation will be avoided for commodities currently included under your license. In addition, limiting procurements to only commodities that may be possessed under a general license does not necessarily relieve you from controlling the transfer of these commodities. We request that you submit additional information regarding what actions you will take to address these issues.

2. In the corrective steps taken and results achieved section of your response to cited Violation B, you described the inventories and records reviews that NAVSUPSYSCOM and NAVSEA 04R have conducted to account for material possessed under NRMP Nos. 45-00023-T1NP, 45-00023-T2NP, and 08-00024-T1NP. In your response, you did not give the results of these efforts. This information is needed to assess the extent to which these commodities were not adequately controlled and to determine if reportable quantities of licensed material have been lost or improperly transferred or disposed. Please provide the results of your efforts to account for all material possessed under these permits. If you have not completed the inventories, please provide what information you have and the date you expect to complete the inventories.

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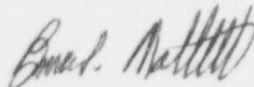
3. The corrective steps taken and results achieved described for cited Violation C also included the performance of a physical inventory to account for the materials possessed under NRMP Nos. 45-00023-T1NP, 45-00023-T2NP, and 08-00024-T2NP. You indicated that the reconciliation of on-hand inventory with procurement and disposal records is continuing in an attempt to identify any lost material. Please provide the current results of your efforts to account for all material possessed under these permits and the date that you expect to complete this effort.

In addition to our comments above, which address specific information contained in your response, we also have some general comments concerning your efforts to identify the root cause of these violations and the corrective actions to prevent their recurrence. The primary causes you identified for these violations appeared to be the failure of key personnel (e.g., item managers, inventory control points, radiation safety officers, etc.) to implement existing procedures to control and account for commodities containing licensed material. It was not clear from your corrective actions, however, as to how you will followup to ensure that existing procedures are followed. These efforts should enable you to account for the licensed material currently possessed under these permits and to identify licensed material which may have been improperly transferred or disposed. Please discuss this in your response to this letter.

Subsequent to the receipt of your February 6, 1997 response and our February 13, 1997 discussion with CDR Blake, we received information regarding the discovery of military commodities containing radioactive material at a Defense Logistics Agency Defense Reutilization and Marketing Office (DRMO) near Barstow, California. These commodities were discovered during an inspection conducted by staff from NRC's Region IV office. Although it is not clear at this time which service was responsible for the transfer of these licensed commodities to the DRMO, we do understand that similar events have occurred with Navy commodities. Your response to Violation A in your February 6, 1997, correspondence did not specifically address the control measures the Navy has implemented to prevent the transfer of licensed material to a DRMO and to identify, and recover radioactive commodities that have been inadvertently transferred to a DRMO. Please describe how your corrective actions prevent such an inadvertent transfer.

We request that you provide a response within 30 days of the date of this correspondence. If there are questions or concerns regarding this request, please contact Mr. Jay Henson at (404) 331-0344.

Sincerely,



Bruce S. Mallett, Director
Division of Nuclear Materials Safety

Docket No. 030-29462
License No. 45-23645-01NA

cc: Commonwealth of Virginia

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



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