

February 17, 2000

Brigadier General Michael P. Wiedemer
Commander
Sacramento Air Logistics Center
SM-ALC/TI-1
5335 Price Avenue
McClellan AFB, California 95652-2504

Vice Chancellor Kevin Smith
Office of the Chancellor
University of California, Davis
One Shields Avenue
Davis, California 95616-8558

SUBJECT: RE-ISSUANCE OF NOTICE OF CONSIDERATION OF APPROVAL OF
TRANSFER OF FACILITY OPERATING LICENSE NO. R-130 FOR THE
McCLELLAN NUCLEAR RADIATION CENTER FROM THE DEPARTMENT OF
THE AIR FORCE TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA
AND CONFORMING AMENDMENT, AND OPPORTUNITY FOR A HEARING
(TAC NO. MA3477)

Dear General Wiedemer and Dr. Smith:

The enclosed document has been re-issued in its entirety to correct some
administrative errors. We apologize for any inconvenience this may have caused.

Sincerely,



Ledyard B. Marsh, Chief
Events Assessments, Generic Communications
and Non-Power Reactors Branch
Division of Regulatory Improvement Programs
Office of Nuclear Reactor Regulation

Docket No. 50-607

Enclosure: As stated

cc: w/enclosures

DOCUMENT NAME:

TEMPLATE - PRR - 056

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DFoV

McClellan AFB TRIGA REACTOR

Docket No. 50-607

cc:

Dr. Wade J. Richards
SM-ALC/TI-1
5335 Price Avenue, Bldg. 258
McClellan AFB, CA 95652-2504

Col. Robert Capell
HQ AFMC/SGC
4225 Logistics Avenue, Suite 23
Wright-Patterson AFB, OH 45433-5762

Lt. Col. Catherine Zeringue
HQ AFSC/SEW
9570 Avenue G, Building 24499
Kirtland AFB, New Mexico 87117-5670

Test, Research, and Training
Reactor Newsletter
202 Nuclear Sciences Center
University of Florida
Gainesville, FL 32611

February 1, 2000

Brigadier General Michael P. Wiedemer
Commander
Sacramento Air Logistics Center
SM-ALC/TI-1
5335 Price Avenue
McClellan AFB, California 95652-2504

Vice Chancellor Kevin Smith
Office of the Chancellor
University of California, Davis
One Shields Avenue
Davis, California 95616-8558

SUBJECT: ORDER APPROVING THE TRANSFER OF THE FACILITY OPERATING LICENSE FOR THE McCLELLAN NUCLEAR RADIATION CENTER FROM THE DEPARTMENT OF THE AIR FORCE TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, AND APPROVING CONFORMING AMENDMENT (TAC NO. MA3477)

Dear General Wiedemer and Dr. Smith:

The enclosed Order is in response to the application dated April 13, 1999, as supplemented on July 19 and August 4, 1999, and January 18 and 27, 2000 requesting approval of the transfer of Operating License No. R-130 for the McClellan Nuclear Radiation Center from the Department of the Air Force to the Regents of the University of California, and approval of a conforming amendment to reflect the transfer. The enclosed Order provides consent to the proposed transfer, pursuant to Section 50.80 of Title 10 of the Code of Federal Regulations, and approves Amendment No. 3. Also, enclosed are two copies of the indemnity agreement for the facility. The Vice Chancellor for the University should sign one copy and return it to me. The University should keep the other copy for its records.

The Order has been forwarded to the Office of the Federal Register for publication.

Sincerely,

/RA/
Warren J. Eresian, Project Manager
Events Assessment, Generic Communications
and Non-Power Reactors Branch
Division of Regulatory Improvement Programs
Office of Nuclear Reactor Regulation

Docket No. 50-607

Enclosures:

1. Order
2. Amendment No. 3
3. Safety Evaluation
4. Indemnity Agreement

cc w/enclosures:

See next page

TEMPLATE #: NRR-065

DOCUMENT NAME: G:\REXB\ERESIAN\licensexfer.wpd

*See previous concurrence

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NAME	SHom	DMatthews			
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February 17, 2000

MEMORANDUM TO: Rules and Directives Branch
 Division of Administrative Services
 Office of Administration

FROM: Office of Nuclear Reactor Regulation

SUBJECT: Order Approving the Transfer of the Facility Operating License for the
 McClellan Nuclear Radiation Center from the Department of the Air Force
 to the Regents of the University of CA and Approving Conforming Amendment

One signed original of the *Federal Register* Notice identified below is attached for your transmittal to the Office of the Federal Register for publication. Additional conformed copies (5) of the Notice are enclosed for your use.

- Notice of Receipt of Application for Construction Permit(s) and Operating License(s).
- Notice of Receipt of Partial Application for Construction Permit(s) and Facility License(s): Time for submission of Views on Antitrust matters.
- Notice of Consideration of Issuance of Amendment to Facility Operating License. (Call with 30-day insert date).
- Notice of Receipt of Application for Facility License(s); Notice of Availability of Applicant's Environmental Report; and Notice of Consideration of Issuance of Facility License(s) and Notice of Opportunity for Hearing.
- Notice of Availability of NRC Draft/Final Environmental Statement.
- Notice of Limited Work Authorization.
- Notice of Availability of Safety Evaluation Report.
- Notice of Issuance of Construction Permit(s).
- Notice of Issuance of Facility Operating License(s) or Amendment(s).
- Order.
- Exemption.
- Notice of Granting Exemption.
- Environmental Assessment.
- Notice of Preparation of Environmental Assessment.
- Receipt of Petition for Director's Decision Under 10 CFR 2.206.
- Issuance of Final Director's Decision Under 10 CFR 2.206.
- Other: _____

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DOCKET NO. 50-607

Attachment(s): As stated

Contact: E. Hylton
 Telephone: 415-1129

DOCUMENT NAME:

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REXB R/F

S. Collins/R. Zimmerman

L. Marsh

J. Lyons

V. Dricks

E. Hylton

W. Eresian

R. Scholl (e-mail RFS) Safety Evaluations

OGC

G. Hill (2)

ACRS

SECY

D. Lange, (Region IV)

D. Hagan

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	
)	
DEPARTMENT OF THE AIR FORCE)	Docket No. 50-607
)	
(McClellan Nuclear Radiation Center))	

ORDER APPROVING TRANSFER OF LICENSE
AND CONFORMING AMENDMENT

I.

The United States Air Force (USAF) is the owner of the McClellan Nuclear Radiation Center (MNRC) and is authorized to possess, use, and operate the facility as reflected in Operating License No. R-130. The Nuclear Regulatory Commission issued Operating License No. R-130 on August 13, 1998, pursuant to Part 50 of Title 10 of the Code of Federal Regulations (10 CFR Part 50). The facility is located on McClellan Air Force Base in Sacramento, California.

II.

By letters dated April 13, 1999, the USAF and the Regents of the University of California (University of California) each submitted an application requesting approval of the proposed transfer of Operating License No. R-130 from the USAF to the University of California. The University of California at Davis (UCD), part of the University of California, was proposed to be the actual operator of the facility. The application was supplemented by submittals dated July 19 and August 4, 1999, and January 18 and 27, 2000. The initial application and the supplements are hereinafter collectively referred to as "the application" unless otherwise indicated.

According to the application, the USAF has agreed to convey the MNRC to the University of California. After completion of the proposed license transfer, UCD would be the sole operator of the MNRC. The application also sought the approval of a conforming amendment. This conforming amendment is necessary to remove references to the USAF from the operating license and replace them with references to the UCD, as appropriate, as well as to make other miscellaneous administrative changes to the operating license to reflect the transfer.

Under 10 CFR 50.80, no license for a production or utilization facility, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. Upon review of the information in the application and other information before the Commission, the NRC staff has determined that the University of California is qualified to hold the license, and that the transfer of the license to the University of California is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission. The NRC staff has further found that the application for the proposed license amendment complies with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter I; the facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission; there is reasonable assurance that the activities authorized by the proposed license amendment can be conducted without endangering the health and safety of the public and that such activities will be conducted in compliance with the Commission's regulations; the issuance of the proposed license amendment will not be inimical to the common defense and security or to the health and safety of the public; and the issuance of the proposed amendment will be in accordance with 10 CFR

Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

The foregoing findings are supported by a Safety Evaluation dated December 2, 1999.

Accordingly, IT IS HEREBY ORDERED that the transfer of the license as described herein to the University of California is approved, subject to the following condition:

Should the transfer of the license not be completed by June 30, 2000, this Order shall become null and void, provided, however, on written application and for good cause shown, such date may in writing be extended.

IT IS FURTHER ORDERED that, consistent with 10 CFR 2.1315(b), a license amendment that makes changes, as indicated in Enclosure 2 to the cover letter forwarding this Order, to conform the license to reflect the transfer is approved.

This Order is effective upon issuance.

Dated at Rockville, Maryland, this 1st day of February 2000.

FOR THE NUCLEAR REGULATORY COMMISSION

A handwritten signature in black ink, appearing to read "D B Matthews". The signature is written in a cursive, somewhat stylized font.

David B. Matthews, Director
Division of Regulatory Improvement Programs
Office of Nuclear Reactor Regulation



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

DEPARTMENT OF THE AIR FORCE AT

McCLELLAN AIR FORCE BASE

DOCKET NO. 50-607

AMENDMENT TO AMENDED FACILITY OPERATING LICENSE

Amendment No. 3
License No. R-130

1. The U.S. Nuclear Regulatory Commission (the Commission) has found that
 - A. The application for an amendment to Amended Facility Operating License No. R-130 filed by the Department of the Air Force at McClellan Air Force Base and the Regents of the University of California on April 13, 1999, as supplemented on July 19 and August 4, 1999, and January 18 and 27, 2000, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the regulations of the Commission as stated in Chapter I of Title 10 of the Code of Federal Regulations (10 CFR);
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance that (i) the activities authorized by this amendment can be conducted without endangering the health and safety of the public and (ii) such activities will be conducted in compliance with the regulations of the Commission;
 - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. This issuance of this amendment is in accordance with the regulations of the Commission as stated in 10 CFR Part 51, and all applicable requirements have been satisfied.
2. Accordingly, the license is amended as indicated in the attachment to this license amendment.

ENCLOSURE 2

3. This license amendment is effective as of the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION



Ledyard B. Marsh, Chief
Events Assessment, Generic Communications
and Non-Power Reactors Branch
Division of Regulatory Improvement Programs
Office of Nuclear Reactor Regulation

Enclosures: 1. Amended Facility License
2. Appendix A, Technical
Specifications changes

Date of Issuance: January 31, 2000



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

FACILITY OPERATING LICENSE
DOCKET NO. 50-607
REGENTS OF THE UNIVERSITY OF CALIFORNIA

License No. R-130

1. The U.S. Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for license transfer, filed by the Regents of the University of California on April 13, 1999, as supplemented on July 19 and August 4, 1999, and January 18 and 27, 2000 complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations as set forth in 10 CFR Chapter I;
 - B. Construction of the facility was completed in substantial conformity with the provisions of the Act, and the rules and regulations of the Commission;
 - C. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - D. There is reasonable assurance (i) that the activities authorized by this license can be conducted without endangering the health and safety of the public and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - E. The licensee is technically and financially qualified to engage in the activities authorized by this operating license in accordance with the regulations of the Commission;
 - F. The licensee is a Nonprofit Educational Institution and will use the facility for educational programs and research, and has satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements of the Commission's regulations;
 - G. The issuance of this license will not be inimical to the common defense and security or to the health and safety of the public;
 - H. This license is issued in accordance with 10 CFR Part 51 of the Commission's regulations, and all applicable requirements have been satisfied; and
 - I. The receipt, possession, and use of the byproduct and special nuclear materials as authorized by this license will be in accordance with the Commission's regulations in 10 CFR Parts 30 and 70, including Sections 30.33, 70.23, and 70.31.

Amendment No. 3

2. Facility License No. R-130 is hereby issued to the Regents of the University of California as follows:
- A. The license applies to the TRIGA nuclear reactor (the facility) owned by the Regents of the University of California (the licensee). The facility is located on the McClellan Air Force Base, Sacramento, California.
 - B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses the Regents of the University of California at the McClellan Nuclear Radiation Center:
 - (i) Pursuant to Section 104c of the Act and 10 CFR Part 50, "Domestic Licensing of Production and Utilization Facilities," to possess, use, and operate the facility at the designated location at McClellan Air Force Base in accordance with the procedures and limitations set forth in this license.
 - (ii) Pursuant to the Act and 10 CFR Part 70, "Domestic Licensing of Special Nuclear Material," to receive, possess, and use up to 21.0 kilograms of contained uranium-235 enriched to less than 20 percent in the isotope uranium-235 in the form of reactor fuel; up to 4 grams of contained uranium-235 of any enrichment in the form of fission chambers; up to 16.1 kilograms of contained uranium-235 enriched to less than 20 percent in the isotope uranium-235 in the form of plates; and to possess, but not separate, such special nuclear material as may be produced by the operation of the facility.
 - (iii) Pursuant to the Act and 10 CFR Part 30, "Rules of General Applicability to Domestic Licensing of Byproduct Material," to receive, possess, and use a 4-curie sealed americium-beryllium neutron source in connection with operation of the facility; a 55-millicurie sealed cesium-137 source for instrument calibrations; small instrument calibration and check sources of less than 0.1 millicurie each; and to possess, use, but not separate, except for byproduct material produced in reactor experiments, such byproduct material as may be produced by the operation of the facility.
 - C. This license shall be deemed to contain and is subject to the conditions specified in Parts 20, 30, 50, 51, 55, 70, and 73 of 10 CFR Chapter I; to all applicable provisions of the Act; and to the rules, regulations, and orders of the Commission now or hereafter in effect and to the additional conditions specified below:
 - (i) Maximum Power Level

The licensee is authorized to operate the facility at steady-state power levels not in excess of 2300 kilowatts (thermal) and in the pulse mode with reactivity insertions not to exceed \$1.75 (1.23 % Δ k/k).

(ii) Technical Specifications

The Technical Specifications, as revised through Amendment No. 3, are hereby incorporated in the license. The licensee shall operate the facility in accordance with the Technical Specifications.

(iii) Physical Security Plan

The licensee shall fully implement and maintain in effect all provisions of the Commission-approved physical security plan, including all amendments and revisions made pursuant to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The approved plan, which is exempt from public disclosure pursuant to the provisions of 10 CFR 2.790, is entitled "Physical Security Plan for the MNRC TRIGA Reactor Facility," Revision 3, and is dated August 1996.

- D. This license is effective as of the date of issuance and shall expire twenty (20) years from its date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

Previously signed by

Original signed by

Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Date of Issuance: August 13, 1998

ENCLOSURE TO LICENSE AMENDMENT NO. 3

AMENDED FACILITY OPERATING LICENSE NO. R-130

DOCKET NO. 50-607

Replace the following pages of Appendix A, "Technical Specifications," with the enclosed pages. The revised pages are identified by amendment number and contain vertical lines indicating the areas of change.

Remove

1
39
40
41

Insert

1
39
40

TECHNICAL SPECIFICATIONS
FOR THE
U.C. DAVIS MCCLELLAN NUCLEAR RADIATION CENTER (MNRC)

General

The McClellan Nuclear Radiation Center (MNRC) reactor is operated by the University of California, Davis, CA. The MNRC research reactor is a TRIGA type reactor. The MNRC provides state-of-the-art neutron radiography capabilities. In addition, the MNRC provides a wide range of irradiation services for both research and industrial needs. The reactor operates at a nominal steady state power level up to and including 2 MW. The MNRC reactor is also capable of square wave and pulse operational modes. The MNRC reactor fuel is less than 20% enriched in uranium-235.

1.0 Definitions

1.1 As Low As Reasonably Achievable (ALARA). As defined in 10 CFR Part 20.

1.2 Licensed Operators. A MNRC reactor operator is an individual licensed by the Nuclear Regulatory Commission (e.g., senior reactor operator or reactor operator) to carry out the duties and responsibilities associated with the position requiring the license.

1.2.1 Senior Reactor Operator. An individual who is licensed to direct the activities of reactor operators and to manipulate the controls of the facility.

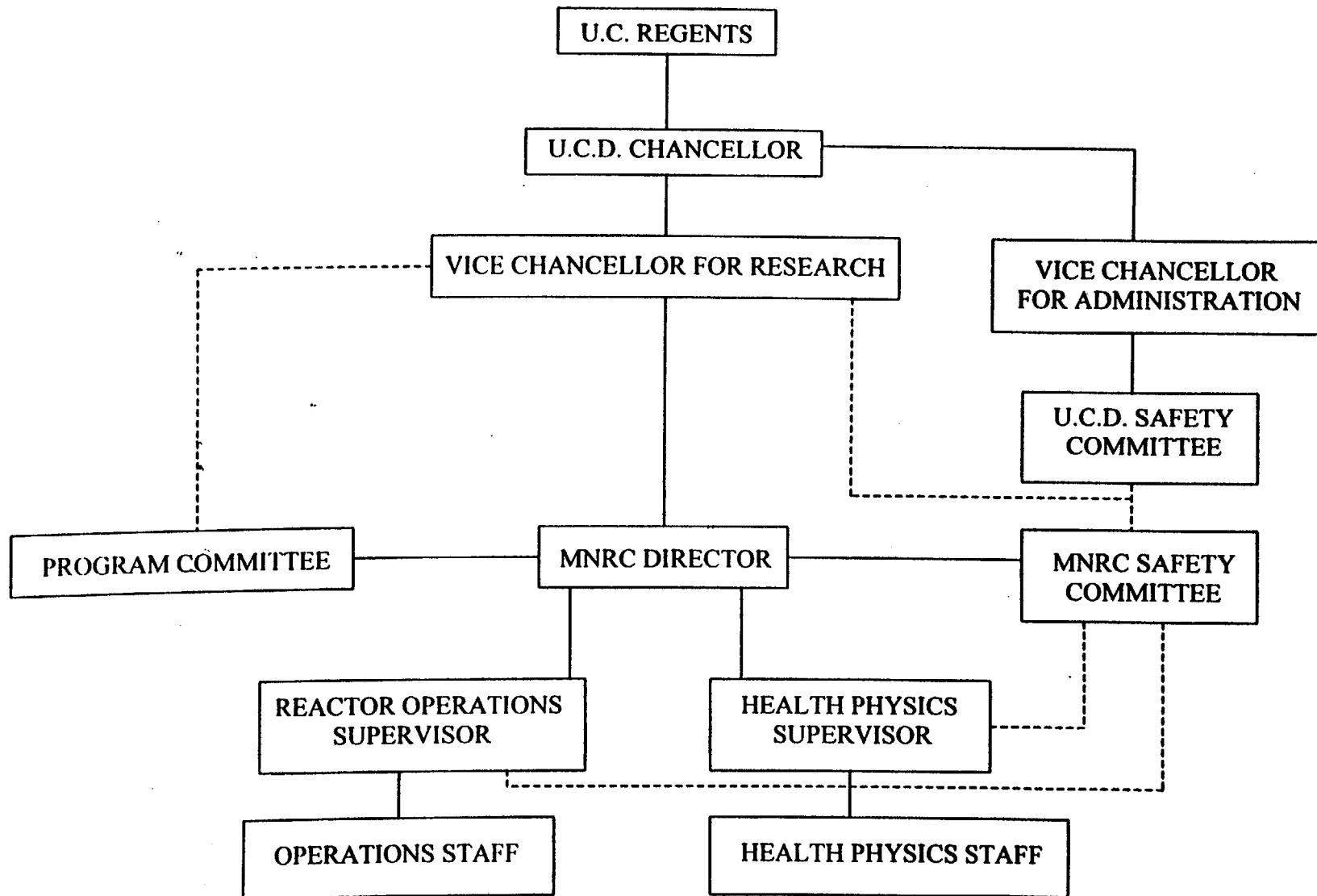
1.2.2 Reactor Operator. An individual who is licensed to manipulate the controls of the facility and perform reactor-related maintenance.

1.3 Channel. A channel is the combination of sensor, line amplifier, processor, and output devices which are connected for the purpose of measuring the value of a parameter.

1.3.1 Channel Test. A channel test is the introduction of a signal into the channel for verification that it is operable.

1.3.2 Channel Calibration. A channel calibration is an adjustment of the channel such that its output corresponds with acceptable accuracy to known values of the parameter which the channel measures. Calibration shall encompass the entire channel, including equipment actuation, alarm or trip, and shall be deemed to include a channel test.

1.3.3 Channel Check. A channel check is a qualitative verification of acceptable performance by observation of channel behavior. This verification, where possible, shall include comparison of the channel with other independent channels or systems measuring the same variable.

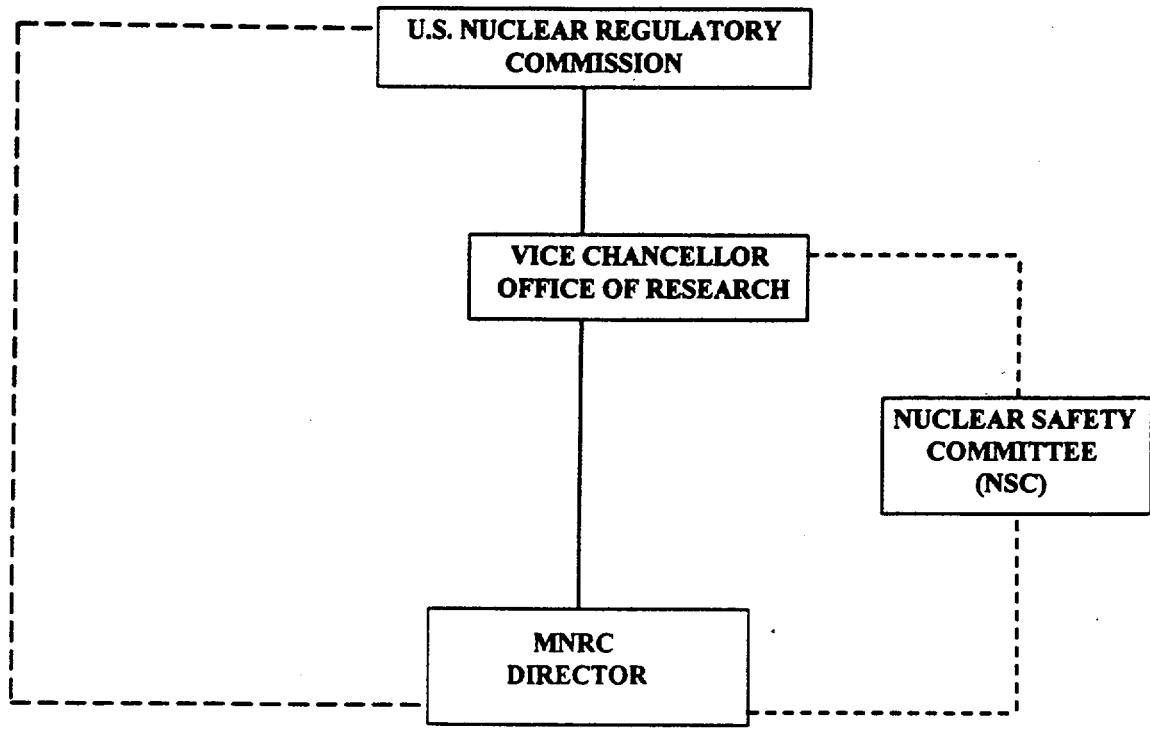


UNIVERSITY MANAGEMENT ORGANIZATION

Figure 6.1

Normal Administrative Reporting Channel

Technical Review, Communications and Assistance



- NUCLEAR SAFETY AND LICENSING
- - - - - NUCLEAR SAFETY AND LICENSING REVIEWS, APPROVALS AND RECOMMENDATIONS
- - - - - COMMUNICATION OF LICENSED ACTIVITIES

U.C. Davis McClellan Nuclear Radiation Center Licensing Organization

Figure 6.2



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION

PROPOSED TRANSFER OF OPERATING LICENSE FOR

McCLELLAN NUCLEAR RADIATION CENTER FROM

THE DEPARTMENT OF THE AIR FORCE

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

AND AMENDMENT NO. 3

DOCKET NO. 50-607

LICENSE NO. R-130

1.0 INTRODUCTION

The United States Air Force (USAF) is the owner of the McClellan Nuclear Radiation Center (MNRC) and is authorized to possess, use, and operate the facility as reflected in Operating License No. R-130. The Nuclear Regulatory Commission issued Operating License No. R-130 on August 13, 1998, pursuant to Part 50 of Title 10 of the Code of Federal Regulations (10 CFR Part 50). The facility is located on McClellan Air Force Base in Sacramento, California.

By letters dated April 13, 1999, the USAF and the Regents of the University of California (University of California) each submitted an application requesting approval of the proposed transfer of Operating License No. R-130 from the USAF to the University of California, with the University of California at Davis (UCD) to be the actual operator of the facility. The application was supplemented by submittals dated July 19 and August 4, 1999, and January 18 and 27, 2000 (collectively the application). According to the application, the USAF has agreed to convey the MNRC to the Regents of the University of California. After completion of the transfer, UCD will be the sole operator of the MNRC. A license amendment was requested for administrative purposes to conform the license to reflect the transfer.

The supplemental information did not expand the scope of the application as initially noticed in the Federal Register.

2.0 FINANCIAL AND TECHNICAL QUALIFICATIONS

The annual estimated operating cost of the facility is expected to remain at approximately \$1.2 million, and the estimated cost of decommissioning is \$15 to 20 million. The decommissioning cost estimate is based on a 1993 study, "Cost Estimate for Decommissioning of the McClellan Nuclear Radiation Center (May 1993)," conducted by the Nondestructive Testing Information Analysis Center (NTIAC).

ENCLOSURE 3

Supplemental information supplied by the Chancellor of the University of California, Davis, states that the University of California system will be responsible for the operating and decommissioning costs of the facility. The application states that the 1996-1997 University of California Financial Report reported that the combined assets of the University of California system from all funds were \$63 billion, with unrestricted annual revenues of about \$7 billion. Compared to the size of the assets and the annual revenue stream of the UC system, the operating and decommissioning costs of the facility should not present funding problems. Furthermore, the application states that the University of California has operated the UC Irvine research reactor since 1969 and also has operated the UC Berkeley reactor from 1966-1988, indicating that the UC system has long-term experience with operating and funding nuclear reactors.

Prior to the proposed license transfer, the McClellan Nuclear Radiation Center (MNRC) was operating in accordance with the organizations as shown in Attachment 1. This attachment is taken directly from the existing Technical Specifications. The MNRC Director is located onsite at the MNRC and reports directly to the Base Commander. The Operations Branch and the Health Physics Branch, also located onsite, report directly to the MNRC Director. The Operations Branch consists of NRC-licensed Reactor Operators (5) and Senior Reactor Operators (10), while the Health Physics Branch consists of four health physics technicians. The members of these two branches have the daily responsibility of operating the facility, and have been doing so successfully since the facility was licensed by the NRC in August of 1998.

The organization which will exist under the new licensee (UCD) is shown in Attachment 2, taken from the proposed Technical Specifications. The organization, including lines of responsibility and expertise at the MNRC, is unchanged. The very same people already performing as Director and Branch Supervisors will continue in those positions. The only difference is that the MNRC Director now reports to the Vice Chancellor for Research for UC-Davis as a UCD employee instead of the Base Commander. This continuity of technical expertise gives the staff reasonable assurance that the MNRC will continue to operate successfully under the new license.

The staff has determined that based on the foregoing information the proposed transferee is financially and technically qualified to be the holder of the license, and the transfer of the license is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto. No additional analysis or verification of the adequacy of funding is required.

3.0 ANTITRUST

The facility is licensed under Section 104c of the Atomic Energy Act of 1954, as amended, and as a result, no antitrust review is required. Also, in June 1999, the Commission determined that the Atomic Energy Act does not require or authorize antitrust reviews of post operating license transfer applications following the issuance of the initial operating license.

4.0 FOREIGN OWNERSHIP

The University of California is part of the State of California. The names and addresses of the Regents of the University of California have been provided to the NRC. All Regents of the

University of California are United States citizens. UCD stated in the application that "the University of California system is not owned, controlled, nor dominated by an alien, a foreign corporation, nor foreign government." The NRC staff does not know or have any reason to believe otherwise.

5.0 CONFORMING AMENDMENT

5.1 Introduction

The application requested approval of a proposed Amendment No. 3 to Facility Operating License No. R-130 and Appendix A to the Facility Operating License Technical Specifications for the McClellan Nuclear Radiation Center (MNRC) Reactor Facility. The amendment replaces references to the Department of the Air Force with the University of California, Davis, and makes other administrative changes to properly reflect the license transfer.

5.2 Discussion

The changes to be made to the license and technical specifications are indicated in the enclosure to this license amendment. These changes do no more than accurately reflect the approval of the transfer. The amendment involves no safety questions and the changes are administrative in nature. Accordingly, the proposed amendment is acceptable.

The licensee had requested that the term of the license be for 20 years from the date of transfer. However, in general licenses are transferred without any change in term; the extension of a license is a separate licensing action. This was discussed with the Director of the facility on January 27, 2000, who agreed that the license would transfer from the Air Force to the University of California without change in term.

5.3 Conclusion with Respect to the Conforming Amendment

The staff has concluded on the basis of the considerations previously discussed that (1) because the amendment does not involve a significant increase in the probability or consequences of accidents previously evaluated, or create the possibility of a new or different kind of accident from an accident previously evaluated, and does not involve a significant reduction in a margin of safety, the amendment does not involve a significant hazards consideration; (2) there is reasonable assurance that the health and safety of the public will not be endangered by the proposed activities; and (3) such activities will be conducted in compliance with the Commission's regulations, and the issuance of this amendment will not be inimical to the common defense and security or the health and safety of the public.

6.0 ENVIRONMENTAL CONSIDERATION

The subject application is for approval of a transfer of a license issued by the NRC and approval of a conforming amendment. Accordingly, the action involved meets the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(21). Pursuant to 10 CFR 51.22(b), no environmental impact statement or environmental assessment need be prepared in connection with approval of the application.

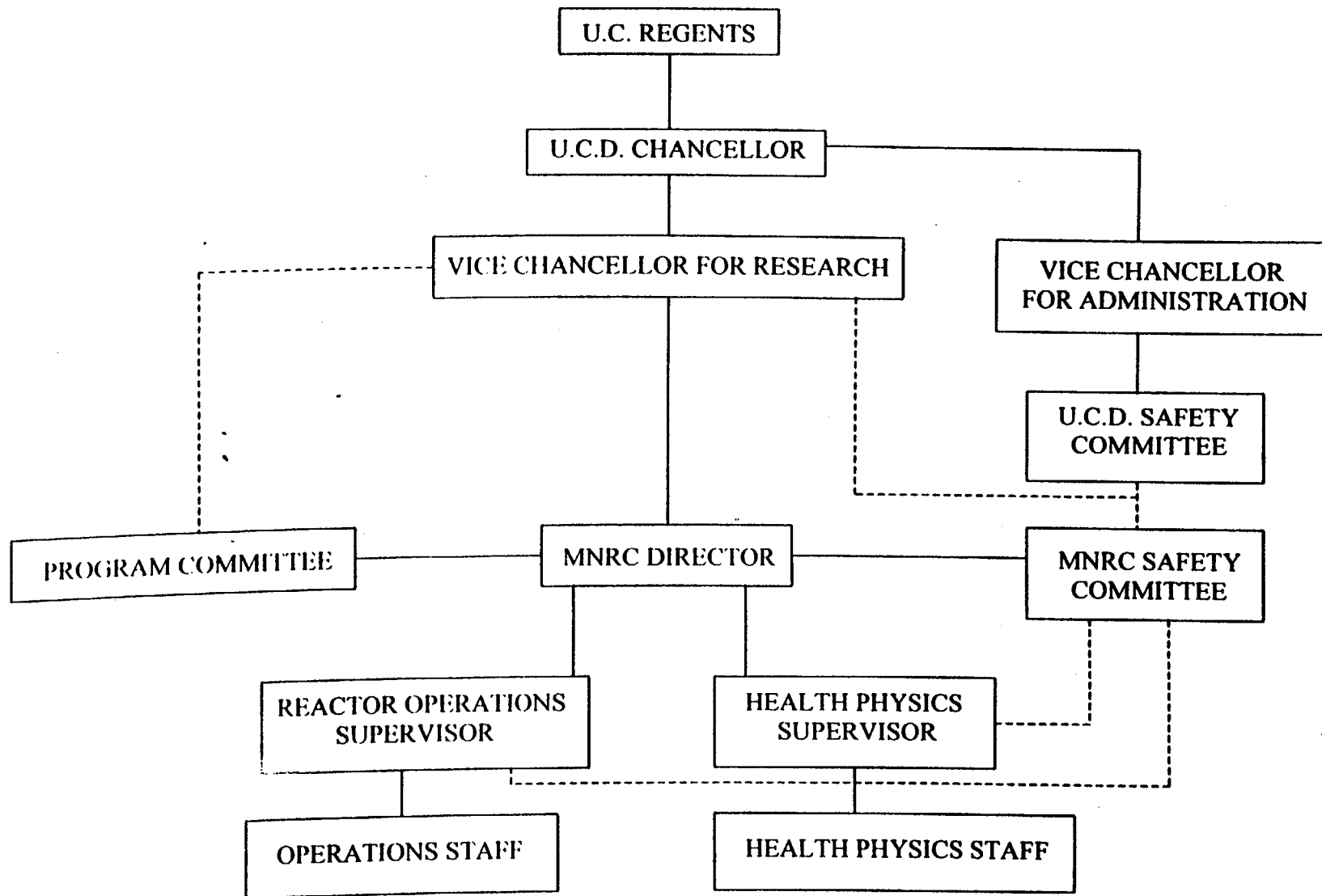
7.0 CONCLUSIONS

After reviewing the information contained in the application and other information before the NRC, the NRC staff concludes that the University of California is qualified to hold the MNRC license, and that the proposed transfer of the license from the Department of the Air Force to the Regents of the University of California is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission.

Attachments: as stated

Principal Contributor: W. Eresian, NRR

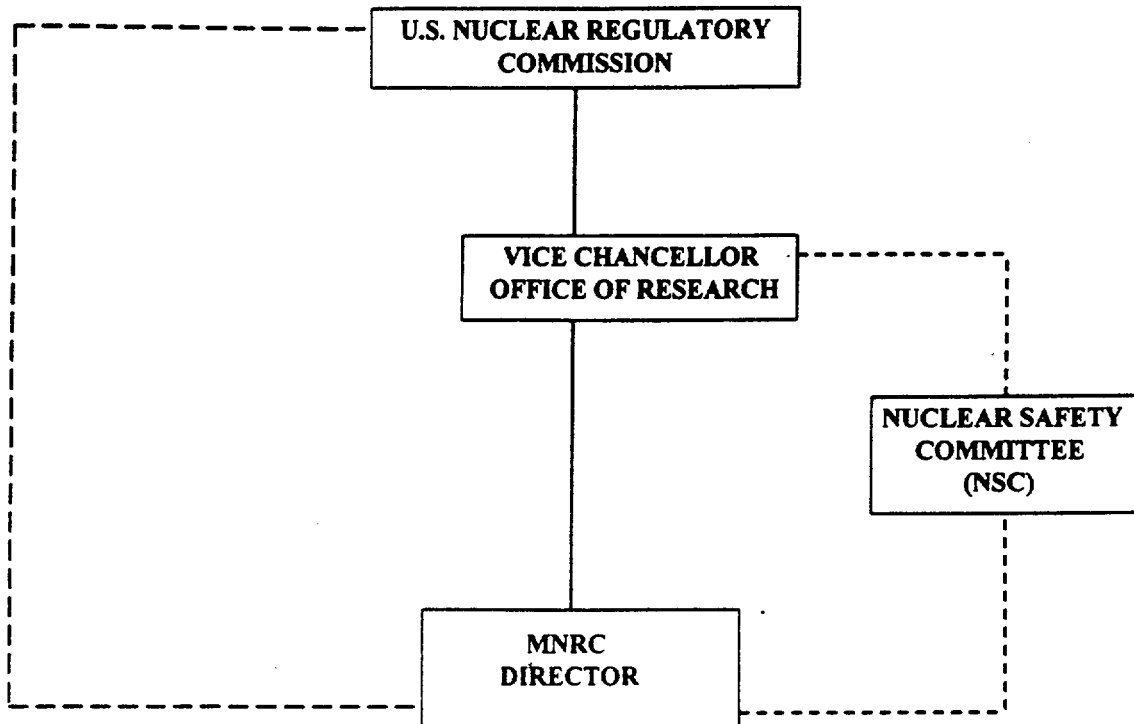
Dated: January 31, 2000



UNIVERSITY MANAGEMENT ORGANIZATION
Figure 6.1

Normal Administrative Reporting Channel

Technical Review, Communications and Assistance



- NUCLEAR SAFETY AND LICENSING
- - - - - NUCLEAR SAFETY AND LICENSING REVIEWS, APPROVALS AND RECOMMENDATIONS
- - - - - COMMUNICATION OF LICENSED ACTIVITIES

U.C. Davis McClellan Nuclear Radiation Center Licensing Organization

Figure 6.2



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

Docket No. 50-607

This indemnity agreement No. E-40 is entered into by and between the University of California at Davis (hereinafter referred to as the licensee) and the United States Nuclear Regulatory Commission (hereinafter referred to as the Commission) pursuant to subsection 170(k) of the Atomic Energy Act of 1954, as amended (hereinafter referred to as the Act).

Article I

As used in this agreement,

1. Nuclear reactor, byproduct material, person, source material, special nuclear material, and precautionary evacuation shall have the meanings given them in the Atomic Energy Act of 1954, as amended, and the regulations issued by the Commission.

2. (a) Nuclear incident means any occurrence including an extraordinary nuclear occurrence or series of occurrences at the location or in the course of transportation causing bodily injury, sickness, disease, or death, or loss of use of property, arising out of or resulting from the radioactive, toxic, explosive, or other hazardous properties of the radioactive material.

(b) Any occurrence including an extraordinary nuclear occurrence or series of occurrences causing bodily injury, sickness, disease or death, or loss of or damage to property, or loss of use of property, arising out of or resulting from the radioactive, toxic, explosive, or other hazardous properties of

i. The radioactive material discharged or dispersed from the location over a period of days, weeks, months or longer and also arising out of such properties of other material defined as the radioactive material in any other agreement or agreements entered into by the Commission under subsection 170(c) or (k) of the Act and so discharged or dispersed from the location as defined in any such other agreement; or

ii. The radioactive material in the course of transportation and also arising out of such properties of other material defined in any other agreement entered into by the Commission pursuant to subsection 170(c) or (k) of the Act as the radioactive material and which is in the course of transportation shall be deemed to be a common occurrence. A common occurrence shall be deemed to constitute a single nuclear incident.

3. Extraordinary nuclear occurrence means an event which the Commission has determined to be an extraordinary nuclear occurrence as defined in the Atomic Energy Act of 1954, as amended.

4. In the course of transportation means in the course of transportation within the United States, or in the course of transportation outside the United States and any other nation, and moving from one person licensed by the Commission to another person licensed by the Commission, including handling or temporary storage incidental thereto, of the radioactive material to the location or from the location provided that:

ENCLOSURE 4

(a) With respect to transportation of the radioactive material to the location, such transportation is not by predetermination to be interrupted by the removal of the material from the transporting conveyance for any purpose other than the continuation of such transportation to the location or temporary storage incidental thereto;

(b) The transportation of the radioactive material from the location shall be deemed to end when the radioactive material is removed from the transporting conveyance for any purpose other than the continuation of transportation or temporary storage incidental thereto;

(c) In the course of transportation as used in this agreement shall not include transportation of the radioactive material to the location if the material is also in the course of transportation from any other location as defined in any other agreement entered into by the Commission pursuant to subsection 170(c) or (k) of the Act.

5. Person indemnified means the licensee and any other person who may be liable for public liability.

6. Public liability means any legal liability arising out of or resulting from a nuclear incident or precautionary evacuation (including all reasonable additional costs incurred by a State, or a political subdivision of a State, in the course of responding to a nuclear incident or precautionary evacuation), except (1) claims under State or Federal Workmen's Compensation Act of employees of persons indemnified who are employed (a) at the location or, if the nuclear incident occurs in the course of transportation of the radioactive material, or the transporting vehicle, and (b) in connection with the licensee's possession, use, or transfer of the radioactive material; (2) claims arising out of an act of war; and (3) claims for loss of, or damage to, or loss of use of (a) property which is located at the location and used in connection with the licensee's possession, use, or transfer of the radioactive material, and (b) if the nuclear incident occurs in the course of transportation of the radioactive material, the transporting vehicle, containers used in such transportation, and the radioactive material.

7. The location means the location described in Item 3 of the Attachment hereto.

8. The radioactive material means source, special nuclear, and byproduct material which (1) is used or to be used in, or is irradiated or to be irradiated by, the nuclear reactor or reactors subject to the license or licenses designated in the Attachment hereto, or (2) which is produced as the result of operation of said reactor(s).

9. United States when used in a geographical sense includes Puerto Rico and all territories and possessions of the United States.

Article II

1. Any obligations of the licensee under subsection 53e(8) of the Act to indemnify the United States and the Commission from public liability shall not in the aggregate exceed \$250,000 with respect to any nuclear incident.

2. With respect to any extraordinary nuclear occurrence to which this agreement applies, the Commission, and the licensee on behalf of itself and other persons indemnified, insofar as their interests appear, each agree to waive:

(a) Any issue or defense as to the conduct of the claimant or fault of persons indemnified, including, but not limited to (1) Negligence;

(2) Contributory negligence;

(3) Assumption of the risk;

(4) Unforeseeable intervening causes, whether involving the conduct of a third person or an act of God.

As used herein, conduct of the claimant includes conduct of persons through whom the claimant derives his cause of action; (b) Any issue or defense as to charitable or governmental immunity;

(c) Any issue or defense based on any statute of limitations if suit is instituted within 3 years from the date on which the claimant first knew, or reasonably could have known, of his injury or damage and the cause thereof.

The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action. The waivers shall be judicially enforceable in accordance with their terms by the claimant against the person indemnified.

3. The waivers set forth in paragraph 2 of this article: (a) Shall not preclude a defense based upon a failure to take reasonable steps to mitigate damages;

(b) Shall not apply to injury or damage to a claimant or to a claimant's property which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant;

(c) Shall not apply to injury to a claimant who is employed at the site of and in connection with the activity where the extraordinary nuclear occurrence takes place if benefits therefor are either payable or required to be provided under any workmen's compensation or occupational disease law: Provided, however, That with respect to an extraordinary nuclear occurrence occurring at the facility, a claimant who is employed at the facility in connection with the construction of a nuclear reactor with respect to which no operating license has been issued by the Nuclear Regulatory Commission shall not be considered as employed in connection with the activity where the extraordinary nuclear occurrence takes place if:

(1) The claimant is employed exclusively in connection with the construction of a nuclear reactor, including all related equipment and installations at the facility, and

(2) No operating license has been issued by the NRC with respect to the nuclear reactor, and

(3) The claimant is not employed in connection with the possession, storage, use, or transfer of nuclear material at the facility;

(d) Shall not apply to any claim for punitive or exemplary damages, provided, with respect to any claim for wrongful death under any State law which provides for damages only punitive in nature, this exclusion does not apply to the extent that the claimant has sustained actual damages, measured by the pecuniary injuries resulting from such death but not to exceed the maximum amount otherwise recoverable under such law;

(e) Shall be effective only with respect to those obligations set forth in this agreement;

(f) Shall not apply to, or prejudice the prosecution or defense of, any claim or portion of claim which is not within the protection afforded under (1) the limit of liability provisions under subsection 170(e) of the Atomic Energy Act of 1954, as amended, and (b) the terms of this agreement.

Article III

1. The Commission undertakes and agrees to indemnify and hold harmless the licensee and other persons indemnified, as their interest may appear, from public liability.

2. With respect to damage caused by a nuclear incident to property of any person legally liable for the nuclear incident, the Commission agrees to pay to such person those sums which such person would have been obligated to pay if such property had belonged to another; provided, that the obligation of the Commission under this paragraph 2 does not apply with respect to: (a) Property which is located at the location and used in connection with the licensee's possession, use or transfer of the radioactive material;

(b) Property damage due to the neglect of the person indemnified to use all reasonable means to save and preserve the property after knowledge of a nuclear incident;

(c) If the nuclear incident occurs in the course of transportation of the radioactive material, the transporting vehicle and containers used in such transportation;

(d) The radioactive material.

3. [Reserved]

4. (a) The obligations of the Commission under this agreement shall apply only with respect to such public liability and such damage to property of persons legally liable for the nuclear incident (other than such property described in the proviso to paragraph 2 of this Article) as in the aggregate exceed \$250,000.

(b) With respect to a common occurrence, the obligations of the Commission under this agreement shall apply only with respect to such public liability and such damage to property of persons legally liable for the nuclear incident (other than such property described in the proviso to paragraph 2 of this Article) as in the aggregate exceed whichever of the following is lower: (1) The sum of the amounts of financial protection established under all applicable agreements; or (2) an amount equal to the sum of \$200,000,000 and the amount available as secondary financial protection. As used in this Article applicable agreements means each agreement entered into by the Commission pursuant to subsection 170(c) or (k) of the Act in which agreement the nuclear incident is defined as a common occurrence.

5. The obligations of the Commission under this agreement shall apply only with respect to nuclear incidents occurring during the term of this agreement.

6. The obligations of the Commission under this and all other agreements and contracts to which the Commission is a party shall not with respect to any nuclear incident, in the aggregate exceed which ever of the following is the lower: (a) \$500,000,000 or (b) with respect to a common occurrence, \$560,000,000 less the sum of the amounts of financial protection established under all applicable agreements.

7. If the licensee is immune from public liability because it is a state agency, the Commission shall make payments under the agreement in the same manner and to the same extent as the Commission would be required to do if the licensee were not such a state agency.

8. The obligations of the Commission under this agreement, except to the licensee for damage to property of the licensee, shall not be affected by any failure on the part of the licensee to fulfill its obligations under this agreement. Bankruptcy or insolvency of the licensee or any other person indemnified or of the estate of the licensee or any other person indemnified shall not relieve the Commission of any of its obligations hereunder.

Article IV

1. When the Commission determines that the United States will probably be required to make indemnity payments under the provisions of this agreement, the Commission shall have the right to collaborate with the licensee and other persons indemnified in the settlement and defense of any claim including such legal costs of the licensee as are approved by the Commission and shall have the right (a) to require the prior approval of the Commission for the settlement or payment of any claim or action asserted against the licensee or other person indemnified for public liability or damage to property of persons legally liable for the nuclear incident which claim or action the licensee or the Commission may be required to indemnify under this agreement; and (b) to appear through the Attorney General of the United States on behalf of the licensee or other person indemnified, take charge of such action or defend any such action. If the settlement

or defense of any such action or claim is undertaken by the Commission, the licensee shall furnish all reasonable assistance in effecting a settlement or asserting a defense.

2. Neither this agreement nor any interest therein nor claim thereunder may be assigned or transferred without the approval of the Commission.

Article V

The parties agree that they will enter into appropriate amendments of this agreement to the extent that such amendments are required pursuant to the Atomic Energy Act of 1954, as amended, or licenses, regulations or orders of the Commission.

Article VI

The licensee agrees to pay to the Commission such fees as are established by the Commission pursuant to regulations or orders of the Commission.

Article VII

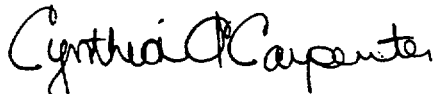
The term of this agreement shall commence as of the date and time specified in Item 4 of the Attachment and shall terminate at the time of expiration of that license specified in Item 2 of the Attachment, which is the last to expire; provided that, except as may otherwise be provided in applicable regulations or orders of the Commission, the term of this agreement shall not terminate until all the radioactive material has been removed from the location and transportation of the radioactive material from the location has ended as defined in subparagraph 4(b), Article I. Termination of the term of this agreement shall not affect any obligation of the licensee or any obligation of the Commission under this agreement with respect to any nuclear incident occurring during the term of this agreement.

Attachment to Indemnity Agreement No. E-40

- Item 1-- Licensee
University of California, Davis
- Address-- One Shields Avenue, Davis, California 95616-8558
- Item 2-- License number or numbers
R-130
- Item 3-- Location

The reactor is located in the McClellan Nuclear Radiation Center Building on McClellan AFB, located approximately 8 miles northeast of Sacramento, California.
- Item 4-- The indemnity agreement designated above, of which this Attachment is a part of, is effective on the 1st day of February, 2000.

For the United States Nuclear Regulatory Commission,



Cynthia A. Carpenter, Chief
Generic Issues, Environmental, Financial, and Rulemaking Branch
Division of Regulatory Improvement Programs
Office of Nuclear Reactor Regulation

Dated at Rockville, MD, the 29 day of January, 2000.

_____ By Kevin Smith
Vice Chancellor
University of California, Davis



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
WASHINGTON, D.C. 20555-0001

Docket No. 50-607

This indemnity agreement No. E-40 is entered into by and between the University of California at Davis (hereinafter referred to as the licensee) and the United States Nuclear Regulatory Commission (hereinafter referred to as the Commission) pursuant to subsection 170(k) of the Atomic Energy Act of 1954, as amended (hereinafter referred to as the Act).

Article I

As used in this agreement,

1. Nuclear reactor, byproduct material, person, source material, special nuclear material, and precautionary evacuation shall have the meanings given them in the Atomic Energy Act of 1954, as amended, and the regulations issued by the Commission.

2. (a) Nuclear incident means any occurrence including an extraordinary nuclear occurrence or series of occurrences at the location or in the course of transportation causing bodily injury, sickness, disease, or death, or loss of use of property, arising out of or resulting from the radioactive, toxic, explosive, or other hazardous properties of the radioactive material.

(b) Any occurrence including an extraordinary nuclear occurrence or series of occurrences causing bodily injury, sickness, disease or death, or loss of or damage to property, or loss of use of property, arising out of or resulting from the radioactive, toxic, explosive, or other hazardous properties of

i. The radioactive material discharged or dispersed from the location over a period of days, weeks, months or longer and also arising out of such properties of other material defined as the radioactive material in any other agreement or agreements entered into by the Commission under subsection 170(c) or (k) of the Act and so discharged or dispersed from the location as defined in any such other agreement; or

ii. The radioactive material in the course of transportation and also arising out of such properties of other material defined in any other agreement entered into by the Commission pursuant to subsection 170(c) or (k) of the Act as the radioactive material and which is in the course of transportation shall be deemed to be a common occurrence. A common occurrence shall be deemed to constitute a single nuclear incident.

3. Extraordinary nuclear occurrence means an event which the Commission has determined to be an extraordinary nuclear occurrence as defined in the Atomic Energy Act of 1954, as amended.

4. In the course of transportation means in the course of transportation within the United States, or in the course of transportation outside the United States and any other nation, and moving from one person licensed by the Commission to another person licensed by the Commission, including handling or temporary storage incidental thereto, of the radioactive material to the location or from the location provided that:

ENCLOSURE 4

(a) With respect to transportation of the radioactive material to the location, such transportation is not by predetermination to be interrupted by the removal of the material from the transporting conveyance for any purpose other than the continuation of such transportation to the location or temporary storage incidental thereto;

(b) The transportation of the radioactive material from the location shall be deemed to end when the radioactive material is removed from the transporting conveyance for any purpose other than the continuation of transportation or temporary storage incidental thereto;

(c) In the course of transportation as used in this agreement shall not include transportation of the radioactive material to the location if the material is also in the course of transportation from any other location as defined in any other agreement entered into by the Commission pursuant to subsection 170(c) or (k) of the Act.

5. Person indemnified means the licensee and any other person who may be liable for public liability.

6. Public liability means any legal liability arising out of or resulting from a nuclear incident or precautionary evacuation (including all reasonable additional costs incurred by a State, or a political subdivision of a State, in the course of responding to a nuclear incident or precautionary evacuation), except (1) claims under State or Federal Workmen's Compensation Act of employees of persons indemnified who are employed (a) at the location or, if the nuclear incident occurs in the course of transportation of the radioactive material, or the transporting vehicle, and (b) in connection with the licensee's possession, use, or transfer of the radioactive material; (2) claims arising out of an act of war; and (3) claims for loss of, or damage to, or loss of use of (a) property which is located at the location and used in connection with the licensee's possession, use, or transfer of the radioactive material, and (b) if the nuclear incident occurs in the course of transportation of the radioactive material, the transporting vehicle, containers used in such transportation, and the radioactive material.

7. The location means the location described in Item 3 of the Attachment hereto.

8. The radioactive material means source, special nuclear, and byproduct material which (1) is used or to be used in, or is irradiated or to be irradiated by, the nuclear reactor or reactors subject to the license or licenses designated in the Attachment hereto, or (2) which is produced as the result of operation of said reactor(s).

9. United States when used in a geographical sense includes Puerto Rico and all territories and possessions of the United States.

Article II

1. Any obligations of the licensee under subsection 53e(8) of the Act to indemnify the United States and the Commission from public liability shall not in the aggregate exceed \$250,000 with respect to any nuclear incident.

2. With respect to any extraordinary nuclear occurrence to which this agreement applies, the Commission, and the licensee on behalf of itself and other persons indemnified, insofar as their interests appear, each agree to waive:

(a) Any issue or defense as to the conduct of the claimant or fault of persons indemnified, including, but not limited to (1) Negligence;

(2) Contributory negligence;

(3) Assumption of the risk;

(4) Unforeseeable intervening causes, whether involving the conduct of a third person or an act of God.

As used herein, conduct of the claimant includes conduct of persons through whom the claimant derives his cause of action; (b) Any issue or defense as to charitable or governmental immunity;

(c) Any issue or defense based on any statute of limitations if suit is instituted within 3 years from the date on which the claimant first knew, or reasonably could have known, of his injury or damage and the cause thereof.

The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action. The waivers shall be judicially enforceable in accordance with their terms by the claimant against the person indemnified.

3. The waivers set forth in paragraph 2 of this article: (a) Shall not preclude a defense based upon a failure to take reasonable steps to mitigate damages;

(b) Shall not apply to injury or damage to a claimant or to a claimant's property which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant;

(c) Shall not apply to injury to a claimant who is employed at the site of and in connection with the activity where the extraordinary nuclear occurrence takes place if benefits therefor are either payable or required to be provided under any workmen's compensation or occupational disease law: Provided, however, That with respect to an extraordinary nuclear occurrence occurring at the facility, a claimant who is employed at the facility in connection with the construction of a nuclear reactor with respect to which no operating license has been issued by the Nuclear Regulatory Commission shall not be considered as employed in connection with the activity where the extraordinary nuclear occurrence takes place if:

(1) The claimant is employed exclusively in connection with the construction of a nuclear reactor, including all related equipment and installations at the facility, and

(2) No operating license has been issued by the NRC with respect to the nuclear reactor, and

(3) The claimant is not employed in connection with the possession, storage, use, or transfer of nuclear material at the facility;

(d) Shall not apply to any claim for punitive or exemplary damages, provided, with respect to any claim for wrongful death under any State law which provides for damages only punitive in nature, this exclusion does not apply to the extent that the claimant has sustained actual damages, measured by the pecuniary injuries resulting from such death but not to exceed the maximum amount otherwise recoverable under such law;

(e) Shall be effective only with respect to those obligations set forth in this agreement;

(f) Shall not apply to, or prejudice the prosecution or defense of, any claim or portion of claim which is not within the protection afforded under (1) the limit of liability provisions under subsection 170(e) of the Atomic Energy Act of 1954, as amended, and (b) the terms of this agreement.

Article III

1. The Commission undertakes and agrees to indemnify and hold harmless the licensee and other persons indemnified, as their interest may appear, from public liability.

2. With respect to damage caused by a nuclear incident to property of any person legally liable for the nuclear incident, the Commission agrees to pay to such person those sums which such person would have been obligated to pay if such property had belonged to another; provided, that the obligation of the Commission under this paragraph 2 does not apply with respect to: (a) Property which is located at the location and used in connection with the licensee's possession, use or transfer of the radioactive material;

(b) Property damage due to the neglect of the person indemnified to use all reasonable means to save and preserve the property after knowledge of a nuclear incident;

(c) If the nuclear incident occurs in the course of transportation of the radioactive material, the transporting vehicle and containers used in such transportation;

(d) The radioactive material.

3. [Reserved]

4. (a) The obligations of the Commission under this agreement shall apply only with respect to such public liability and such damage to property of persons legally liable for the nuclear incident (other than such property described in the proviso to paragraph 2 of this Article) as in the aggregate exceed \$250,000.

(b) With respect to a common occurrence, the obligations of the Commission under this agreement shall apply only with respect to such public liability and such damage to property of persons legally liable for the nuclear incident (other than such property described in the proviso to paragraph 2 of this Article) as in the aggregate exceed whichever of the following is lower: (1) The sum of the amounts of financial protection established under all applicable agreements; or (2) an amount equal to the sum of \$200,000,000 and the amount available as secondary financial protection. As used in this Article applicable agreements means each agreement entered into by the Commission pursuant to subsection 170(c) or (k) of the Act in which agreement the nuclear incident is defined as a common occurrence.

5. The obligations of the Commission under this agreement shall apply only with respect to nuclear incidents occurring during the term of this agreement.

6. The obligations of the Commission under this and all other agreements and contracts to which the Commission is a party shall not with respect to any nuclear incident, in the aggregate exceed which ever of the following is the lower: (a) \$500,000,000 or (b) with respect to a common occurrence, \$560,000,000 less the sum of the amounts of financial protection established under all applicable agreements.

7. If the licensee is immune from public liability because it is a state agency, the Commission shall make payments under the agreement in the same manner and to the same extent as the Commission would be required to do if the licensee were not such a state agency.

8. The obligations of the Commission under this agreement, except to the licensee for damage to property of the licensee, shall not be affected by any failure on the part of the licensee to fulfill its obligations under this agreement. Bankruptcy or insolvency of the licensee or any other person indemnified or of the estate of the licensee or any other person indemnified shall not relieve the Commission of any of its obligations hereunder.

Article IV

1. When the Commission determines that the United States will probably be required to make indemnity payments under the provisions of this agreement, the Commission shall have the right to collaborate with the licensee and other persons indemnified in the settlement and defense of any claim including such legal costs of the licensee as are approved by the Commission and shall have the right (a) to require the prior approval of the Commission for the settlement or payment of any claim or action asserted against the licensee or other person indemnified for public liability or damage to property of persons legally liable for the nuclear incident which claim or action the licensee or the Commission may be required to indemnify under this agreement; and (b) to appear through the Attorney General of the United States on behalf of the licensee or other person indemnified, take charge of such action or defend any such action. If the settlement

or defense of any such action or claim is undertaken by the Commission, the licensee shall furnish all reasonable assistance in effecting a settlement or asserting a defense.

2. Neither this agreement nor any interest therein nor claim thereunder may be assigned or transferred without the approval of the Commission.

Article V

The parties agree that they will enter into appropriate amendments of this agreement to the extent that such amendments are required pursuant to the Atomic Energy Act of 1954, as amended, or licenses, regulations or orders of the Commission.

Article VI

The licensee agrees to pay to the Commission such fees as are established by the Commission pursuant to regulations or orders of the Commission.

Article VII

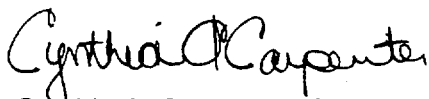
The term of this agreement shall commence as of the date and time specified in Item 4 of the Attachment and shall terminate at the time of expiration of that license specified in Item 2 of the Attachment, which is the last to expire; provided that, except as may otherwise be provided in applicable regulations or orders of the Commission, the term of this agreement shall not terminate until all the radioactive material has been removed from the location and transportation of the radioactive material from the location has ended as defined in subparagraph 4(b), Article I. Termination of the term of this agreement shall not affect any obligation of the licensee or any obligation of the Commission under this agreement with respect to any nuclear incident occurring during the term of this agreement.

Attachment to Indemnity Agreement No. E-40

- Item 1-- Licensee
University of California, Davis
- Address-- One Shields Avenue, Davis, California 95616-8558
- Item 2-- License number or numbers
R-130
- Item 3-- Location

The reactor is located in the McClellan Nuclear Radiation Center Building on McClellan AFB, located approximately 8 miles northeast of Sacramento, California.
- Item 4-- The indemnity agreement designated above, of which this Attachment is a part of, is effective on the 1st day of February, 2000.

For the United States Nuclear Regulatory Commission,



Cynthia A. Carpenter, Chief
Generic Issues, Environmental, Financial, and Rulemaking Branch
Division of Regulatory Improvement Programs
Office of Nuclear Reactor Regulation

Dated at Rockville, MD, the 29 day of January, 2000.

_____ By Kevin Smith
Vice Chancellor
University of California, Davis