



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

August 17, 2005

Docket No. 03031172

License No. 37-28385-01

Robert W. Kratzer
President
Valley Inspection Service, Inc.
759 North Fenwick Street
Allentown, PA 18103

SUBJECT: INSPECTION 03031172/2005001, VALLEY INSPECTION SERVICE, INC., ALLENTOWN, PENNSYLVANIA SITE AND THE G. J. OLIVER, PHILLIPSBURG, NEW JERSEY, AND NOTICE OF VIOLATION

Dear Mr. Kratzer:

On August 4 and 5, 2005, Ronald G. Rolph and Judith A. Joustra of this office conducted a safety inspection at the above address and the G. J. Oliver, 50 Industrial Road, Phillipsburg, New Jersey of activities authorized by the above listed NRC license. The inspection was an examination of your licensed activities as they relate to radiation safety and to compliance with the Commission's regulations and the license conditions. The inspection consisted of observations by the inspector, interviews with personnel, and a selected examination of representative records. The findings of the inspection were discussed with you during a telephone discussion on August 9, 2005.

Based on the results of this inspection, it appears that your activities were not conducted in full compliance with NRC requirements. A Notice of Violation is enclosed that categorizes each violation by severity level. You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

Current NRC regulations are included on the NRC's website at www.nrc.gov; select **Nuclear Materials; Medical, industrial, and academic uses of nuclear material; then toolkit index page**. The Current General Policy and Procedure for NRC Enforcement Actions are included on the NRC's website at www.nrc.gov; select **What We Do, Enforcement**, then **Enforcement Policy**. Or you may obtain these documents by contacting the Government Printing Office (GPO) toll-free at 1-888-293-6498. The GPO is open from 7:00 a.m. to 9:00 p.m. EST, Monday through Friday (except Federal holidays).

R. Kratzer
Valley Inspection Service, Inc.

2

Your cooperation with us is appreciated.

Sincerely,

Original signed by John D. Kinneman

John D. Kinneman, Chief
Security and Industrial Branch
Division of Nuclear Materials Safety

Enclosure:
Notice of Violation

cc:
Kerry M. Frack, Radiation Safety Officer
Commonwealth of Pennsylvania
State of New Jersey

R. Kratzer
Valley Inspection Service, Inc.

3

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DATE	08/10/2005		08/10/2005		08/17/2005			

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NOTICE OF VIOLATION

Valley Inspection Service, Inc.
Allentown, PA

Docket No. 03031172
License No. 37-28385-01

During an NRC inspection conducted on August 4 and 5, 2005, two violations of NRC requirements were identified. In accordance with the NRC Enforcement Policy, the violations are listed below:

- A. 10 CFR 34.43(f) requires, in part, that the licensee maintain records of job performance in accordance with 34.79.

10 CFR 34.79 requires, in part, that records of semi-annual inspections of job performance for each radiographer and each radiographer's assistant be maintained for a period of three years after they are made.

Contrary to the above, as of August 4, 2005, the licensee did not maintain records of semi-annual inspection of job performance for each radiographer or radiographer's assistant. Specifically, records were not maintained for semi-annual inspections of job performance performed since June 8, 2004.

This is a Severity Level IV violation (Supplement VI).

- B. 10 CFR 71.5(a) requires that a licensee who transports licensed material outside of the site of usage, as specified in the NRC license, or where transport is on public highways, or who delivers licensed material to a carrier for transport, comply with the applicable requirements of the regulations appropriate to the mode of transport of the Department of Transportation (DOT) in 49 CFR Parts 170 through 189.
1. 49 CFR 172.202, requires, in part, with exceptions not applicable here, that the shipping description of a hazardous material on the shipping paper includes the identification number prescribed for the material as shown in Column 4 of the 172.101 Table. Pursuant to 49 CFR 172.101, radioactive material is classified as hazardous material.
 2. 49 CFR 172.301, requires, in part, that each person who offers a hazardous material for transportation in a non-bulk packaging must mark the package with the proper identification number (preceded by "UN" or "NA" as appropriate) for the material as shown in the 172.101 Table.

Contrary to the above, the licensee transported radioactive material with the incorrect identification number on shipping papers and a package. Specifically, on seven occasions since January 2005, the licensee transported approximately 18 curies of cobalt-60, special form, in a Type B(U) package with identification number of UN 2974 on the package and shipping paper. The licensee also routinely transported up to curie amounts of iridium-192, special form, in a Type B(U) package with identification number UN 2974 on the shipping papers. The identification number in accordance with Column 4 of 49 CFR 172.101 Table should have been UN 2916.

This is a Severity Level IV violation (Supplement V).

Pursuant to the provisions of 10 CFR 2.201, Valley Inspection Service, Inc. Is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555, with a copy to the Regional Administrator, Region I, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

If you contest this enforcement action, you should also provide a copy of your response to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001. Under the authority of Section 182 of the Act, 42 U.S.C. 2232, any response which contests an enforcement action shall be submitted under oath or affirmation.

Your response will be placed in the NRC Public Document Room (PDR) and on the NRC Web site. To the extent possible, it should, therefore, not include any personal privacy, proprietary, or safeguards information so that it can be made publically available without redaction. However, if you find it necessary to include such information, you should clearly indicate the specific information that you desire not to be placed in the PDR, and provide the legal basis to support your request for withholding the information from the public.

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days.

Dated This 17th day of August 2005