



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

November 22, 2005

Docket No. 03030941

License No. 37-28329-01

Andrew J. Armbrust
Senior Vice President
Philotechnics, Ltd.
118 Mitchell Road
Oak Ridge, TN 37830

SUBJECT: INSPECTION 03030941/2005001, PHILOTECHNICS, LTD., CLAIRTON,
PENNSYLVANIA SITE AND NOTICE OF VIOLATION

Dear Mr. Armbrust:

From September 20, 2005, through November 14, 2005, Jim Schmidt of this office conducted a safety inspection at the above address of activities authorized by the above listed NRC license at 600 State Street, Clairton, Pennsylvania. 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 Glenn Mitchell of your organization by telephone during the exit on November 14, 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 Enforcement Policy is 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).

A. Armbrust
Philotechnics, Ltd.

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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:
Glenn R. Marshall, Radiation Safety Officer
James Alderson, Lead Radiological Controls Technician
Commonwealth of Pennsylvania

A. Armbrust
Philotechnics, Ltd.

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OFFICE	DNMS/RI	N	DNMS/RI	N	DNMS/RI			
NAME	Jschmidt/JDK f/		JDKinneman/JDK					
DATE	11/15/2005		11/21/2005					

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NOTICE OF VIOLATION

Philotechnics, Ltd.
Oak Ridge, TN

Docket No. 03030941
License No. 37-28329-01

During an NRC inspection conducted on September 20, 2005,, two violations of NRC requirements were identified. In accordance with the NRC Enforcement Policy, the violations are listed below:

- A. 10 CFR 20.1501 requires that each licensee make or cause to be made surveys that may be necessary for the licensee to comply with the regulations in Part 20 and that are reasonable under the circumstances to evaluate the extent of radiation levels, concentrations or quantities of radioactive materials, and the potential radiological hazards that could be present. 10 CFR 20.1501(b) requires that instruments used to perform quantitative surveys be periodically calibrated.

Pursuant to 10 CFR 20.1003, survey means an evaluation of the radiological conditions and potential hazards incident to the production, use, transfer, release, disposal, or presence of radioactive material or other sources of radiation.

Contrary to the above, as of September 20, 2005, the licensee did not make surveys using calibrated instrumentation to assure compliance with 10 CFR 20.1301, which limits the dose to members of the public. Specifically, the licensee did not perform periodic calibrations of the effluent sampling system flow instrumentation used for quantitative measurements of radioactive material released to the air.

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

- B. 10 CFR 20.1801 requires that the licensee secure from unauthorized removal or access licensed materials that are stored in controlled or unrestricted areas. 10 CFR 20.1802 requires that the licensee control and maintain constant surveillance of licensed material that is in a controlled or unrestricted area and that is not in storage. As defined in 10 CFR 20.1003, restricted area means an area, access to which is limited by the licensee for the purposes of protecting individuals against undue risks from exposure to radiation and radioactive materials; controlled area means an area, outside of a restricted area but inside the site boundary, access to which can be limited by the licensee for any reason; unrestricted area means an area, access to which is neither limited nor controlled by the licensee.

Contrary to the above, as of September 20, 2005, the licensee did not consistently limit access to the restricted area, nor did the licensee consistently control and maintain constant surveillance of the licensed material contained within this area. Specifically, doors allowing access to the nuclear laundry facility were not locked during normal working hours and while personnel were present at the facility they did not provide sufficient surveillance of the access point to always prevent access by an unauthorized individual.

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

Pursuant to the provisions of 10 CFR 2.201, Philotechnics, Ltd. 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 22ND day of November 2005