



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-4005

June 28, 2006

Michael Stevenson
President
Envirocon, Inc.
101 International Way
Missoula, Montana 59808

SUBJECT: NRC INSPECTION REPORT 030-35693/06-001, NOTICE OF VIOLATION, AND
TERMINATION OF YOUR NRC RADIOACTIVE MATERIALS LICENSE

Dear Mr. Stevenson:

This refers to the inspection conducted at your facility on March 30, 2006. Preliminary inspection findings were discussed with you and Messrs. Joe Ocken and Mel Lockridge at the conclusion of the onsite inspection. The inspection results were also discussed with you and Mr. Ocken during a final telephonic exit briefing conducted on June 20, 2006.

This inspection was an examination of activities conducted under your license as they relate to radiation safety and compliance with the Commission's rules and regulations and with the conditions of your license. Within these areas, the inspection consisted of selected examination of procedures and representative records, observations of activities, independent measurements, and interviews with personnel.

Based on the results of this inspection, the NRC has determined that three Severity Level IV violations of NRC requirements occurred. These violations were evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Web site at www.nrc.gov; select **What We Do, Enforcement**, then **Enforcement Policy**. The violations are cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding them are described in detail. The violations are being cited in the Notice because they were identified by the NRC during the inspection.

Following the NRC's onsite inspection, based on the preliminary inspection findings, you began an internal audit of your radiation safety program. Based on the preliminary results of NRC's inspection and your internal audit, you decided that you no longer required your NRC byproduct material license and that termination of your license would be an appropriate corrective action to address the identified findings. On June 2, 2006, you contacted NRC and indicated that you wished to terminate your NRC radioactive materials license. The NRC staff has reviewed your sealed source leak test results and documents confirming the transfer of all licensed material to a State of Utah licensed entity. Based on its review, the staff has concluded that all licensable radioactive material has been removed from your facility and that residual radioactive material attributable to licensed activities does not exceed current NRC criteria.

Based on these conclusions, no further remediation or actions with respect to NRC regulated material is required. Your facility is suitable for unrestricted use and NRC license number 25-27698-01 for your facility located at 101 International Way, Missoula, Montana, is hereby terminated. Your terminated NRC license is enclosed for your reference.

The NRC has concluded that information regarding the reason for the violations, the corrective actions taken to prevent recurrence and the date when full compliance was achieved is already adequately addressed on the docket in your request for license termination dated June 2, 2006. Therefore, you are not required to respond to this letter or the enclosed Notice. However, you are required to submit a written statement or explanation pursuant to 10 CFR 2.201 if the description therein does not accurately reflect your corrective actions or your position.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosures, and your response, if any, will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction.

Should you have any questions concerning this inspection or the enclosed Notice, please contact Janine F. Katanic, Ph.D. at (817) 860-8151. If you have any questions about your NRC license termination, please contact Roberto J. Torres at (817) 860-8189.

Sincerely,

/RA/

Vivian H. Campbell, Chief
Nuclear Materials Inspection Branch

Docket No.: 030-35693
License No.: 25-27698-01

Enclosures: As stated

cc w/Enclosures:
Montana Radiation Control Program Director

Joe Ocken
Envirocon, Inc.
101 International Way
Missoula, Montana 59808

bcc w/enclosures (via ADAMS distrib):

LDWert

CLCain

VHCampbell

JEWhitten

JFKatanic

RJTorres

KEGardin

NMIB

NMLB

RIV Materials Docket File (5th floor)

SUNSI Review Completed: JFK/RJT_____ ADAMS: X Yes No Initials: JFK/RJT

X Publicly Available Non-Publicly Available Sensitive X Non-Sensitive

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06/26/06	06/23/06	06/23/06	06/28/06

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ENCLOSURE

NOTICE OF VIOLATION

Envirocon, Inc.
Missoula, Montana

Docket No. 030-35693
License No. 25-27698-01

During an NRC inspection conducted on March 30, 2006, three violations of NRC requirements were identified. In accordance with the NRC Enforcement Policy, the violations are listed below:

- A. Condition 11.B. of NRC License 25-27698-01, requires, in part, that the Radiation Safety Officer (RSO) for the license is Joe Ocken. Condition 11.C. of the license requires, in part, that before assuming the duties and responsibilities as RSO for this license and before obtaining licensed material, Joe Ocken shall have successfully completed one of the training courses described in the criteria in Section 8.8 of NUREG-1556, Volume 1, dated May 1997.

The criteria in Section 8.8 of NUREG-1556, Volume 1, dated May 1997, specifies, in part, that RSOs must have adequate training and experience and that successful completion of either (1) a portable gauge manufacturer's course for users or RSOs or (2) an equivalent course that meets the criteria in Appendix D of NUREG-1556, Volume 1, dated May 1997, would be evidence of adequate training and experience.

Appendix D of NUREG-1556, Volume 1, dated May 1997, describes the course content criteria, course examination criteria, and course instructor qualifications. In particular, the course content criteria specifies, in part, 1.5 to 2 hours of radiation safety and regulatory requirements, emphasizing practical subjects important to safe use of the gauge. The course content criteria also specifies, in part, 1.5 to 2 hours of practical explanation of portable gauge theory and operation including operating, emergency, maintenance, and transportation procedures.

Contrary to the above, before assuming the duties and responsibilities as RSO for this license and before obtaining licensed material, the licensee's RSO did not successfully complete one of the training courses described in the criteria in Section 8.8 of NUREG-1556, Volume 1, dated May 1997. Specifically, Mr. Ocken assumed the duties and responsibilities as RSO for NRC License 25-27698-01 on April 27, 2001, and subsequently obtained licensed material. Prior to assuming the duties and responsibilities as RSO and before obtaining licensed material, Mr. Ocken did not successfully complete a portable gauge manufacturer's course for users or RSOs or an equivalent course that meets the criteria in Appendix D of NUREG-1556, Volume 1, dated May 1997. As of March 30, 2006, Mr. Ocken still had not successfully completed a portable gauge manufacturer's course for users or RSOs or an equivalent course that meets the criteria in Appendix D of NUREG-1556, Volume 1, dated May 1997.

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

- B. 10 CFR 20.1101(c) requires, in part, that the licensee shall periodically (at least annually) review the radiation protection program content and implementation.

Contrary to the above, the licensee failed to periodically (at least annually) review its radiation protection program content and implementation. Specifically, the licensee failed to review the radiation protection program content and implementation from April 27, 2001, until at least March 30, 2006.

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

- C. 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 107, 171 through 180, and 390 through 397.

49 CFR 171.8 defines a hazmat employee, in part, as a person who is employed by a hazmat employer and who in the course of employment directly affects hazardous materials transportation safety.

49 CFR 172.704(c)(2) requires, in part, that a hazmat employee shall receive the training required by the subpart (49 CFR 172 Subpart H-Training) at least once every three years.

49 CFR 172.704(a) requires, in part, that hazmat employee training must include the following: (1) general awareness/familiarization training, (2) function-specific training, (3) safety training, and (4) security awareness training.

Contrary to the above, a hazmat employee employed by the licensee failed to receive the training required by 49 CFR Subpart H at least once every three years. Specifically, on or about March 28, 2006, one of the licensee's hazmat employees transported hazardous material (radioactive material, Type A package, special form, non-fissile, UN3332, contained in Troxler Model 3440 serial number 31204) in Casper, Wyoming, an area of NRC jurisdiction. The individual received hazmat training that met the requirements of 49 CFR 172.704(a) in March, 2002. Accordingly, greater than three years had elapsed since receiving the required training. Though the individual took hazardous waste operations training in August, 2005, this training did not meet the requirements of 49 CFR 172.704(a).

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

The NRC has concluded that information regarding the reason for the violations, the corrective actions taken to prevent recurrence and the date when full compliance was achieved is already adequately addressed on the docket in your license termination request dated June 2, 2006. However, you are required to submit a written statement or explanation pursuant to 10 CFR 2.201 if the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to respond, clearly mark your response as a "Reply

to a Notice of Violation," and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555 with a copy to the Regional Administrator, Region IV, at 611 Ryan Plaza Drive, Suite 400, Arlington, Texas 76011 within 30 days of the date of the letter transmitting this Notice of Violation (Notice).

Because your response, if any, will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>, to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

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

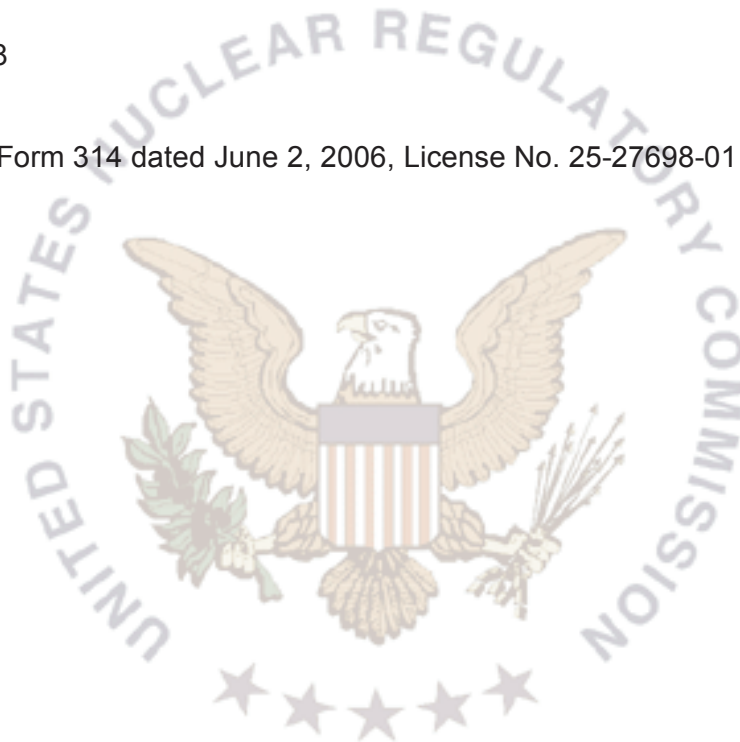
Dated this 28th day of June 2006

**MATERIALS LICENSE
SUPPLEMENTARY SHEET**License Number
25-27698-01Docket or Reference Number
030-35693

Amendment No. 02

Envirocon, Inc.
ATTN: Michael S. Stevenson
President
101 International Way
Missoula, Montana 59808

In accordance with NRC Form 314 dated June 2, 2006, License No. 25-27698-01 is hereby terminated.



FOR THE U.S. NUCLEAR REGULATORY COMMISSION

Date: June 28, 2006

By

/RA/

Roberto J. Torres, Senior Health Physicist
Nuclear Materials Licensing Branch
Region IV
Arlington, Texas 76011