

SAFETY INSPECTION REPORT AND COMPLIANCE INSPECTION

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| 1. LICENSEE/LOCATION INSPECTED: Applied Health Physics, Inc. 2986 Industrial Boulevard Bethel Park, Pennsylvania 15102 | | 2. NRC/REGIONAL OFFICE U.S. Nuclear Regulatory Commission Region I, 475 Allendale Road King of Prussia, Pennsylvania 19406-1415 | |
| REPORT Nos 2007-001 | | | |
| 3. DOCKET NUMBER(S) 03010859 | 4. LICENSE NUMBER(S) 37-14600-01 | 5. DATE(S) OF INSPECTION JANUARY 10, 2007 | |

LICENSEE:

The inspection was an examination of the activities conducted under your license as they relate to radiation safety and to compliance with the Nuclear Regulatory Commission (NRC) rules and regulations and the conditions of your license. The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector. The inspection findings are as follows:

1. Based on the inspection findings, no violations were identified.

2. Previous violati...(s) closed.

3. The violation(s), specifically described to you by the inspector as non-cited violations, are not being cited because they were self-identified, non-repetitive, and corrective action was or is being taken, and the remaining criteria in the NRC Enforcement Policy, NUREG-1600, to exercise discretion, were satisfied.

Non-Cited Violation(s) was/were discussed involving the following requirement(s) and Corrective Action(s):

4. During this inspection certain of your activities, as described below and/or attached, were in violation of NRC requirements and are being cited. This form is a NOTICE OF VIOLATION, which may be subject to posting in accordance with 10 CFR 19.11.

49 CFR 172.203 REQUIRES THAT SHIPPING PAPERS INCLUDE THE PACKAGE LABELS USED FOR THE SHIPMENT. CONTRARY TO THIS REQUIREMENT, THE LICENSEE MADE A SHIPMENT WHICH INCLUDED A RADIOACTIVE WHITE-1 LABEL WITHOUT PROPERLY INCLUDING THIS INFORMATION IN THE SHIPPING PAPERS (SHIPMENT ALL-1006-1). FAILURE TO INCLUDE THIS INFORMATION ON THE SHIPPING PAPERS WAS, IN PART, A RESULT OF POOR FORM DESIGN. THE LICENSEE HAS AGREED TO REVISE THE FORMS TO BETTER ASSURE INCLUSION OF LABEL INFORMATION PRIOR TO ANY FUTURE SHIPMENTS.

Licensee's Statement of Corrective Actions for Item 4, above.

I hereby state that, within 30 days, the actions described by me to the inspector will be taken to correct the violations identified. This statement of corrective actions is made in accordance with the requirements of 10 CFR 2.201 (corrective steps already taken, corrective steps which will be taken, date when full compliance will be achieved). I understand that no further written response to NRC will be required, unless specifically requested.

| Title | Printed Name | Signature | Date |
|---------------------------|---------------|-------------------------|---------|
| LICENSEE'S REPRESENTATIVE | Todd Mobley | <i>Todd Mobley</i> | 1/10/07 |
| NRC INSPECTOR | James Schmidt | <i>James W. Schmidt</i> | 1/10/07 |