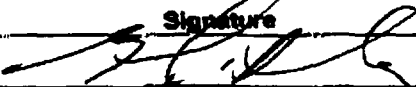



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USNRC REGION3 DNMS

PAGE 02/02

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| NRC FORM 591M PART 1 (10-2003) 10 CFR 2.201 | | U.S. NUCLEAR REGULATORY COMMISSION | |
| SAFETY INSPECTION REPORT AND COMPLIANCE INSPECTION | | | |
| 1. LICENSEE/LOCATION INSPECTED: B & B Dredging Company P.O. Box 11187 Chicago, IL 60611 | | 2. NRC REGIONAL OFFICE: REGION III US NUCLEAR REGULATORY COMMISSION 2443 WARRENVILLE ROAD, SUITE 210 LISLE, ILLINOIS 60532 | |
| REPORT 2007-001 | | | |
| 3. DOCKET NUMBER(S) 030-35427 | 4. LICENSEE NUMBER(S) 12-32244-02 | 5. DATE(S) OF INSPECTION August 13, 2007 | |
| <p>LICENSEE:</p> <p>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:</p> <p><input type="checkbox"/> 1. Based on the inspection findings, no violations were identified.</p> <p><input type="checkbox"/> 2. Previous violation(s) closed.</p> <p><input type="checkbox"/> 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-1800, to exercise discretion, were satisfied.</p> <p>_____ Non-Cited Violation(s) was/were discussed involving the following requirement(s) and Corrective Action(s):</p> <p><input checked="" type="checkbox"/> 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. (Violations and Corrective Actions)</p> <p>Condition 17 of NRC license 12-32244-02 states that the following services shall not be performed by the licensee: installation, initial radiation surveys, removal from service, dismantling, replacement, disposal of sealed source and non-routine maintenance or repair of components related to radiological safety of the gauge. These services shall be performed only by persons specifically licensed by the U.S. Nuclear Regulatory Commission or an Agreement State to perform such services.</p> <p>Contrary to the above, in November 2006, the licensee removed the gauge from its fixed location on the dredge pipe located on the outside of the dredge, replaced the dredge pipe, and installed the gauge at a new location inside of the dredge and the persons who performed these services were not specifically licensed by the U.S. Nuclear Regulatory Commission or an Agreement State to perform such service.</p> <p>The licensee agreed to have this work performed by persons specifically licensed by the U.S. Nuclear Regulatory Commission or by an Agreement State in the future. The licensee had not previously understood this requirement.</p> | | | |
| 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 | Hans B. Blamberg, v.p. |  | 08.15.2007 |
| NRC INSPECTOR | Ed Kulzer |  | AUG 13, 2007 |

SAFETY INSPECTION REPORT AND COMPLIANCE INSPECTION

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| 1. LICENSEE/LOCATION INSPECTED: B & B Dredging Company P.O. Box 11187 Chicago, IL 60611 REPORT 2007-001 | 2. NRC/REGIONAL OFFICE REGION III US NUCLEAR REGULATORY COMMISSION 2443 WARRENVILLE ROAD, SUITE 210 LISLE, ILLINOIS 60532 |
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| 3. DOCKET NUMBER(S) 030-35427 | 4. LICENSEE NUMBER(S) 12-32244-02 | 5. DATE(S) OF INSPECTION August 13, 2007 |
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LICENSEE:

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- 1. Based on the inspection findings, no violations were identified.
- 2. Previous violation(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. (Violations and Corrective Actions)

Condition 17 of NRC license 12-32244-02 states that the following services shall not be performed by the licensee: installation, initial radiation surveys, removal from service, dismantling, replacement, disposal of sealed source and non-routine maintenance or repair of components related to radiological safety of the gauge. These services shall be performed only by persons specifically licensed by the U.S. Nuclear Regulatory Commission or an Agreement State to perform such services.

Contrary to the above, in November 2006, the licensee removed the gauge from its fixed location on the dredge pipe located on the outside of the dredge, replaced the dredge pipe, and installed the gauge at a new location inside of the dredge and the persons who performed these services were not specifically licensed by the U.S. Nuclear Regulatory Commission or an Agreement State to perform such service.

The licensee agreed to have this work performed by persons specifically licensed by the U.S. Nuclear Regulatory Commission or by an Agreement State in the future. The licensee had not previously understood this requirement.

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| Title | Printed Name | Signature | Date |
|---------------------------|--------------|-----------|---------------|
| LICENSEE'S REPRESENTATIVE | | | |
| NRC INSPECTOR | Ed Kulzer | | Aug. 13, 2007 |

Docket File Information
**SAFETY INSPECTION REPORT
AND COMPLIANCE INSPECTION**



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| 1. LICENSEE B & B Dredging Company REPORT 2007-001 | | 2. NRC/REGIONAL OFFICE Region III | |
| 3. DOCKET NUMBER(S) 030- 35427 | 4. LICENSE NUMBER(S) 12-32244-02 | 5. DATE(S) OF INSPECTION August 13, 2007 | |
| 6. INSPECTION PROCEDURES USED 87124 | 7. INSPECTION FOCUS AREAS 03.01 - 03.07 | | |

SUPPLEMENTAL INSPECTION INFORMATION

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|------------------------------------|-------------------------|---|--|
| 1. PROGRAM CODE(S) 03121 | 2. PRIORITY 5 | 3. LICENSEE CONTACT Hans Bromberg | 4. TELEPHONE NUMBER 312.706.0653 |
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| <input type="checkbox"/> Main Office Inspection <input type="checkbox"/> Field <input checked="" type="checkbox"/> Temporary Job Site | Next Inspection Date: <u>August 2012</u> <u>Toledo Harbor, Toledo, OH</u> |
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PROGRAM SCOPE

The licensee employs 70 individuals who operate two dredges in the United States. The licensee possesses two specifically licensed fixed gauges used in its dredging operations. Currently, one individual is involved with use and oversight of the devices. Gauges are leak tested at six-month frequencies in accordance with manufacturers specifications. Inventories and shutter checks are performed at required frequencies.

Performance Observations

The inspector toured the dredge Columbia and the TN Model 5176 gauge in use. The RSO demonstrated gauge survey techniques and described lock-out and leak test procedures. The inspector performed independent and confirmatory radiation measurements which indicated similar results as noted in the licensee's survey records.

During the inspection one violation of NRC requirements was identified. Specifically, the licensee did not conduct its program in accordance with the statements, representations, and procedures contained in the documents, including any inclosures, listed below. Specifically, Condition 17 of NRC license 12-32244-02 states that the following services shall not be performed by the licensee: installation, initial radiation surveys, removal from service, dismantling, replacement, disposal of sealed source and non-routine maintenance or repair of components related to radiological safety of the gauge. These services shall be performed only by persons specifically licensed by the U.S. Nuclear Regulatory Commission or an Agreement State to perform such services.

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