



H & G INSPECTION COMPANY, INC.

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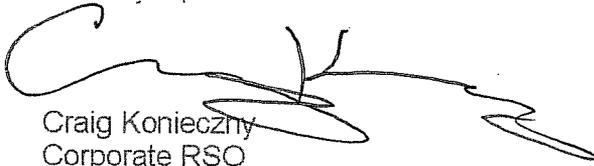
September 20, 2007

Mr. Michael Vasquez
U.S. Nuclear Regulatory Commission
Region IV Office
611 Ryan Plaza Drive, Suite 400
Arlington, Texas 76011-4005

Mr. Vasquez:

H&G Inspection Company, Inc. (NRC license # 42-26838-01) was ordered by the NRC on October 24, 2006, to, in part, write a short article describing a newly set up rotating management oversight program for possible publication in industrial radiography trade magazines. This article was to be submitted first to the NRC for review, comment, and concurrence. A draft of this short article is hereby submitted to you for this intent. Should you have any questions or comments concerning the article, you can reach me at 281-498-6517, or by my cell phone at 713-828-1073.

Thank you,



Craig Konieczny
Corporate RSO



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Industrial radiography is a very powerful tool that can be utilized to provide safer, more durable, and more economical fabricated products in our country's infrastructure. Balancing this potential is the very real need to work with the requisite radioactive material in the absolutely safest means possible. Federal and state regulations have been developed to help ensure that this safety goal is met. In fact, working with the hazardous material in the radiography process may be one of the most regulated procedures in the manufacturing and construction industries. Almost every facet of actual operations is referenced at some point in regulatory code. Additionally, training criteria and certification is very specific, and documentation requirements are quite extensive. All of this necessitates that at least one individual in a company be committed to ensuring that training and regulatory requirements are upheld, and that operational safety systems are in place and are being followed - the Radiation Safety Officer. Ultimate responsibility for a company's radiation safety program lies with this individual. Complications can arise, however, when there are multiple business locations for a particular company - sometimes over a multi-state region. Site managers at these various locations need some system in place to work fluidly with central (or corporate) management and the Radiation Safety Officer.

Historically, a large percentage of industrial radiography companies employ multiple field offices. These can be all in one state (and therefore generally under one radioactive material license), or spread out over multiple states (and normally be regulated under multiple licenses). If the locations are covered under one radioactive material (RAM) license, there is normally just one individual designated as Radiation Safety Officer (RSO). This is usually true even if the branch offices are wide spread and the designated RSO is not often physically at the other offices. Standard procedure in this case is to appoint an office manager (or on-site RSO) to oversee operations, but this individual would not be specifically recognized by the regulatory agency that issued the RAM license, and therefore not ultimately responsible (for the company) to the agency for incidents or violations. Multiple RAM licenses require a designated RSO on each license. Sometimes these can be listed as on-site and/or corporate RSO's. But even if responsible individuals are listed separately, a company hierarchy usually demands that one person be in charge, and have subordinates report to him/her. Therefore, in either case, some sort of management oversight program must be in place.

One such system that has proven to be effective is an alternating, or rotating, branch office audit program. The overriding concept here is to allow branch office supervisors and corporate personnel the opportunity to inspect, audit, and even manage other offices for a short duration of time. Various management and office personnel can be included in this system, such as Corporate RSO's, on-site/field RSO's, area supervisors, branch or office managers, or company executives. These personnel would arrive at another company location unannounced, and perform an operational and/or documentation audit on a specific area of concern - generally a work function that the individual performs at his/her home office. If the audit is to include the inspection of radiation safety paperwork and requirements, it is highly recommended that the inspector be given some kind of formal training beforehand. Radiation Safety Officer training programs are offered by many organizations, and are in fact a requirement for the NRC and many agreement states when designating an RSO on a license.



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Audits should be unannounced and, to a degree, on varying time frames. The overall goal should not be necessarily to "catch" someone doing something wrong, but to maintain a sense of pervading corporate oversight and to encourage responsibility. Also, unannounced inspections help to ensure that the required paperwork, surveys and audits are accomplished in a timely manner, and that work is not falling behind.

One of the major tenets of such a program is that personnel are rotated to other offices so that the same individuals are not always auditing the same offices. If only two or three locations are being inspected, it might be a good idea to have at least two qualified individuals at each office to provide a greater number of possible audit combinations. It is human nature to eventually reach a comfort zone after a certain amount of time at a job, and while this is certainly a beneficial thing in many respects, it is not desirable if complacency follows. Knowing that someone will be checking on occasion helps to keep everyone on their toes.

Rotating management personnel also allows for a more open exchange of ideas and procedures. Some offices may do things just a little differently, and moving personnel around can often times lead to creative ideas and solutions that may not be apparent in a more staid environment. Additionally, meeting and having more contact with employees from other field sites can lead to a greater sense of awareness of the company as a whole, bringing into better focus the "big picture", and can help foster a more cohesive feel of company unity. The goal in all of this should never be one-upmanship between offices, but to aid in keeping company goals intact and support to stay in compliance with regulatory procedures.

In summary, a management oversight program can provide many benefits to an industrial radiography company with multiple locations and/or field sites. There is heightened awareness of operational and safety status by corporate officers of a company. If an RSO or company president is going to be responsible for what happens at peripheral offices, they had better know to a great degree what is actually going on at those offices. Such oversight allows for more timely and appropriate corrective actions by corporate management should deficiencies or irregularities be detected. Self-reported violations to regulatory agencies, and well as prompt corrective action, is seen as mitigating criteria to the NRC and agreement states. The program also offers advanced education for area supervisors/managers. Prerequisite RSO training provides some formal education for these employees, but periodically being taken out of a comfort zone allows these supervisors to sharpen managerial skills with a new set of individuals.

Additionally, there is increased incentive for individual area supervisors to excel. If progress and compliance is being periodically evaluated, personnel are certain to pay closer attention to work details, prioritize key job obligations, and generally perform at a higher level. Such increased work production can often times filter down to the field



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technician level. For example, area supervisors performing a greater number of, and more detailed field inspections on personnel can most assuredly lead to increased safety and job performance in the field. Just the mental note of area supervisors running a tighter ship can have an important mental effect on the work habits of technicians and assistants. It all comes down to creating a safer, more productive work environment. The cost of implementing a rotating management oversight program is minimal when compared to regulatory infraction fines and costs, along with the value of increasing production and decreasing safety incident work stoppages.