



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

November 8, 2007

EA-07-261

Alaska Industrial X-Ray, Inc.
ATTN: Peter A. Millar
President
4047 Kingston Drive
Anchorage, Alaska 99504

SUBJECT: RELAXATION OF ORDER SUSPENDING LICENSED ACTIVITIES

Dear Mr. Millar:

This is in response to your October 26, 2007, letter which responded to the Nuclear Regulatory Commission's (NRC) October 19, 2007, Order Suspending Licensed Activities (Effective Immediately). You proposed to implement several actions to provide the NRC with assurance that Alaska Industrial X-Ray (AIX) will comply with the 2-person rule during NRC-licensed radiographic operations. Specifically, you indicated that you will: (1) set up dark room facilities at the Artic Slope Regional Corporation (ASRC) facility in a manner that supports compliance with the 2-person rule; (2) provide stronger controls over personnel access to areas adjacent to the temporary structure at the ASRC facility; and (3) establish a program of independent audits and oversight of your radiographic operations which would be administered by Mr. Ryan Eide.

Additionally, you indicated that you wanted to change your Radiation Safety Officer (RSO) to Mr. Donald Millar. On October 31, 2007, you officially requested this change by separate correspondence. NRC Region IV has contacted Mr. D. Millar and re-emphasized his responsibilities as the designated RSO for AIX. On November 2, 2007, NRC Region IV issued License Amendment No. 13 accepting Mr. D. Millar as RSO for AIX.

On October 30, 2007, NRC Region IV contacted Mr. Eide and discussed additional details of the proposed auditing plan. We noted Mr. Eide's experience with Quality Assurance/Quality Control type audits and his previous training in industrial radiography. We determined that Mr. Eide should be capable of performing unannounced auditing of AIX's compliance with the 2-person rule and other requirements of your NRC-licensed radiography program.

On October 31, 2007, NRC Region IV representatives discussed with you via telephone additional details of the proposed changes to the ASRC facility and implementation of the auditing plan. You confirmed that Mr. Eide will administer at least two audits per week when AIX is conducting radiographic operations and the results will be submitted on a monthly basis to AIX and NRC Region IV. In a letter dated November 1, 2007, you informed us that the physical changes had been completed at the ASRC facility. Your letter also confirmed that you are committed to communicating advance radiography work schedules with Mr. Eide and NRC Region IV. Specifically, you committed to sending reports of anticipated work schedules (via

fax) on a weekly basis to NRC Region IV and Mr. Eide, as well as providing supplemental daily notifications to Mr. Eide of scheduled work activities for each day.

The Order Suspending Licensed Activities (Effective Immediately) specifies that the Regional Administrator, Region IV, may, in writing, relax or rescind the order upon demonstration by the licensee of good cause. The NRC has reviewed your response to the Order and I hereby grant approval to relax the conditions of the Order due to the showing of good cause. This letter will serve as notification of relaxation of the Order by allowing operations under your license that would have been suspended under the order, provided the measures discussed above remain in effect. The relaxation will remain in effect provided that the measures discussed herein are met.

You are not required to respond to this letter; however, you may choose to if the description therein does not accurately reflect your position. In addition, this relaxation of the conditions of the Order for good cause shown is independent of, and does not have any effect on, the ongoing investigation or potential enforcement action that NRC could take.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and your response, if you choose to provide one, 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 letter, please contact Ms. Vivian Campbell at (817) 860-8287 or Mr. Leonard Wert at (817) 860-8106.

Sincerely,

/RA/

Elmo E. Collins
Regional Administrator

Docket No. 030-10346
License No. 50-16084-01

cc:
State of Alaska Radiation Control Program Director

