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

November 15, 2007

EA-05-123
EA-05-204

Mr. Clinton L. Lingren, President
Sabia, Inc.
7944 Convoy Court
San Diego, California 92111

SUBJECT: NRC INSPECTION REPORT 030-35997/07-001 AND CONFIRMATORY ORDER MODIFYING LICENSE NO. 11-27727-01

Dear Mr. Lingren:

This refers to the unannounced inspection conducted on March 5 and June 6, 2007, at your facilities in San Diego, California, and Idaho Falls, Idaho. The inspection was conducted to verify that you are effectively implementing the requirements promulgated by NRC's "Confirmatory Order Modifying License" (Order) (EA-05-123 and EA-05-204), dated November 22, 2005.

The Order required Sabia to take specific actions regarding training of employees and performing audits of the radiation safety program. By letter dated January 25, 2007, you submitted documentation of the required audits and additional training pursuant to Section IV of the Order. As part of the submittal, you included the results of the contractor's audit review and Sabia's disposition of the audit comments. Preliminary exit briefings were conducted at the conclusion of each site visit. A final telephonic exit briefing was conducted with Mr. James F. Miller, on October 09, 2007. The enclosed report presents the results of this inspection.

Based on the results of this inspection, the NRC has concluded that Sabia has met the conditions and requirements of the Order. The NRC will continue to review Sabia's implementation of the Order as a part of NRC's routine inspection program.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosures 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.

Should you have any questions concerning this inspection or the enclosed report, please contact Ms. Vivian Campbell at (817)860-8287 or Mr. Rick Munoz at (817)860-8220.

Sincerely,

/RA/

Leonard D. Wert, Jr., Director
Division of Nuclear Materials Safety

Docket No.: 030-35997
License No.: 11-27727-01

Enclosure:
NRC Inspection Report 030-35997/07-001

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California Radiation Control Program Director

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SUNSI Review Completed: _RRM_ ADAMS: X Yes ☐ No Initials: _RRM_
X Publicly Available ☐ Non-Publicly Available ☐ Sensitive X Non-Sensitive

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RIV:DNMS:NMIB	C:NMIB	D:DNMS	ACES	RC:ACES
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U.S. Nuclear Regulatory Commission
Region IV

Docket No.:	030-35997
License No.:	11-27727-01
Report No.:	030-35997/07-001
EA No.:	05-123 05-204
Licensee:	Sabia, Inc.
Facility:	Sabia, Inc.
Locations:	San Diego, California Idaho Falls, Idaho
Dates:	March 5, 2007 through October 09, 2007
Inspector:	Rick Muñoz, Health Physicist Nuclear Materials Inspection Branch
Approved By:	Vivian Campbell, Chief Nuclear Materials Inspection Branch

Enclosure

EXECUTIVE SUMMARY

Sabia, Inc. (Sabia)
NRC Inspection Report 030-35997/07-001

This was an unannounced inspection of the licensee's implementation of the requirements of NRC's November 22, 2005, Order, entitled "Confirmatory Order Modifying License" (Order).

Program Overview

Sabia was authorized under NRC byproduct materials license 11-27727-01 to use and possess byproduct material for manufacturing and development, research and development, and to provide commercial services (install, remove, relocate, leak test, etc.) on fixed gauges. (Section 1)

Inspection Findings

Based on the results of this inspection, the NRC has concluded that Sabia has met the conditions and requirements of the Order, as follows:

- Sabia provided the additional training to all employees who work with nuclear sources. Sabia put training in place that outlined the responsibilities of the radiation safety officer (RSO) and those who regularly provide checks and balances to ensure that RSO duties are conducted in accordance with the requirements. This program was completed on January 18, 2006. (Section 2)

- Sabia contracted a third party to perform a comprehensive audit of its radiation safety program. The audit was conducted on November 13 and 14, 2006, and results submitted to the NRC. An internal audit was conducted by Sabia to verify that actions had been performed in response to the external audit findings. In addition, a follow-up audit was conducted during the second quarter of 2007. (Section 2)

Report Details

1 Program Overview (87126)

1.1 Inspection Scope

The inspector reviewed NRC byproduct material license 11-27727-01 and selected records and conducted interviews with licensee personnel.

1.2 Observations and Findings

Sabia, Inc. (Sabia) was authorized under NRC byproduct material license 11-27727-01 to use byproduct material for manufacturing and distribution, research and development, and to provide commercial services (install, remove, relocate, leak test, etc.) on fixed gauges. Licensed material may be used and stored at the licensee's facility located in Idaho Falls, Idaho and may be used at temporary job sites in NRC jurisdiction. Sabia's corporate office is located in San Diego, California.

2 Follow-up (92701)

2.1 Inspection Scope

The inspector reviewed NRC's Inspection Report 150-00004/05-002, and NRC's Order entitled, "Confirmatory Order Modifying License" dated November 22, 2005. The inspection was initiated to review and follow-up on Sabia's activities relative to compliance with the Order at the corporate office in San Diego, California, and at the manufacturing facility in Idaho Falls, Idaho. The inspection reviewed activities conducted under the provisions of Sabia's NRC license and consisted of interviews with Sabia's senior managers, other Sabia personnel, and a review of associated records.

2.2 Inspection Findings

Section IV.1. of the Order required Sabia to augment their existing training program by incorporating training that outlined the responsibilities of the radiation safety officer (RSO), and outlined the policy for internal reviews of communications with regulatory agencies and verification that regulations and license conditions are properly followed. The training was required to include a discussion of the provisions of 10 CFR 30.9 and potential enforcement actions that can occur. In addition, the key principles of the additional training were to be incorporated into the annual refresher training.

Sabia video recorded the training session provided on January 18, 2006, which was reviewed by the NRC inspector during the onsite inspection. The comprehensive training presentation, given in modular format, was divided into three sections which outlined the administration of Sabia's radioactive material program. The training was presented in three separate training sessions through power point presentations for all employees who work with radioactive material. The first of the three training sessions was titled Radiation Safety Training. The training modules included: (1) Sabia Material Analyzer theory of operation; (2) Understanding Radiation-nuclear theory; and (3) NRC Safety Regulations. The second training session covered the administration of Sabia's radioactive material program which outlined their radiation protection program. The third training presentation discussed the comprehensive internal audit program required by the Order, and the annual program review requirements specified in

10 CFR 20.1101 (c). Training related to policy and overall safety considerations was presented by the company president. In addition, Sabia's training discussed the requirement for licensees to provide information to the Commission that is complete and accurate in all material respects as specified in 10 CFR 30.9, and discussed the potential enforcement actions that could result if this requirement was violated. Individuals who received the training included technicians, technician supervisors, and all radiation safety staff including the radiation safety officer (RSO). This training was incorporated into Sabia's general employee training (GET) provided to new employees and the annual refresher training program.

Section IV 2. of the Order required Sabia to have a comprehensive audit of its radiation safety program performed by an outside auditor before the end of 2006. The licensee was required to submit a copy of the scope of the audit at least 30 days prior to its performance. Within one year of the conclusion of the third party audit, Sabia was required to perform an internal audit, which included verification of actions performed as a result of findings from the third party audit.

The NRC received an outline of the scope of the third party audit in October 2006. Sabia contracted a consulting company to perform the required audit. The audit was performed on November 13 and 14, 2006, and the findings were documented and provided to Sabia on November 27, 2006. The external audit did not note any items of non-compliance. The auditor noted the radiation safety program record keeping system was efficient and effective. Records to demonstrate compliance with requirements were easily retrievable from the health physics database and compared to an individuals's required training to demonstrate compliance. Specifically, the auditor retrieved training records for two randomly selected individuals and confirmed that these individuals had taken the required training. Within three weeks of receiving the audit report, Sabia conducted its own internal audit during the second quarter of 2007. The internal audit also found no items of non-compliance. Audit comments were reviewed and approved by Sabia's radiation safety committee. Additional audits will be continued at an annual frequency.

2.3 Conclusion

Based on the results of this inspection, the NRC has concluded that Sabia has met the conditions and requirements of the Order, as follows:

- Additional training was provided to all employees who work with nuclear sources. Sabia put training in place that outlined the responsibilities of the RSO and those who regularly provide checks and balances to ensure that RSO duties are conducted in accordance with the requirements. This program was completed on January 18, 2006.

- Sabia contracted a third party to perform a comprehensive audit of its radiation safety program. The audit was conducted on November 13 and 14, 2006, and results submitted to the NRC. An internal audit was conducted by Sabia to verify that actions had been performed in response to the external audit findings. In addition, a follow-up audit was conducted during the second quarter of 2007.

3 Exit Meeting Summary

On October 9, 2007, a final telephonic exit briefing was held with the RSO to review the findings as presented in this report. Licensee representatives acknowledged the findings. No proprietary information was identified by the licensee.

PARTIAL LIST OF PERSONS CONTACTED

Licensee

Clinton Lingren, President, Sabia
James Miller, Vice President and Radiation Safety Officer
Dan Popovich, Site RSO - Idaho Falls
Jeniece Fresh, Technician - Idaho Falls

INSPECTION PROCEDURES USED

IP 87126	Industrial Programs for Material Licenses
IP 92701	Follow-Up Inspection

ITEMS OPENED, CLOSED, AND DISCUSSED

Opened	None

LIST OF ACRONYMS USED

CFR	Code of Federal Regulations
NRC	Nuclear Regulatory Commission
RSO	Radiation Safety Officer
RPP	Radiation Protection Program