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

March 26, 2008

Zachry Industrial, Inc.
ATTN: Franklin D. Anderson
Radiation Safety Officer
P. O. Box 240130
San Antonio, Texas 78224-0130

SUBJECT: LICENSE AMENDMENT

This letter is in response to your letter dated December 21, 2007, wherein the U.S. Nuclear Regulatory Commission ("NRC") was informed of the name change only for NRC License No. 42-26826-01, effective as of January 1, 2008. The NRC has reviewed the documentation and determined no change of control occurred under 10 CFR 30.34(b). Your license has subsequently been amended to reflect the name change. You should review this license carefully and be sure that you understand all conditions. An environmental assessment for this action is not required, since this action is categorically excluded under 10 CFR 51.22(c)(14)(viii). If you have any questions, please contact me at (817) 276-6552.

NRC's Regulatory Issue Summary (RIS) 2005-31, provides criteria to identify security-related sensitive information and guidance for handling and marking of such documents. This ensures that potentially sensitive information is not made publicly available through ADAMS. The RIS may be located on the NRC Web site at: http://www.nrc.gov/reading-rm/doc-collections/gen-comm/reg-issues/2005/. Additionally, the link for frequently asked questions may be located at: http://www.nrc.gov/reading-rm/faqlist.html, then select "Withholding of Sensitive Information." Pursuant to NRC's RIS 2005-31, the enclosed materials license will be made publicly available.

The regulations in 10 CFR 30.34, Terms and conditions of licenses, was revised to enhance the security requirements for portable gauges containing byproduct material. This revision became effective July 11, 2005. Revised 10 CFR 30.34 now requires that "each portable gauge licensee shall use a minimum of two independent physical controls that form tangible barriers to secure portable gauges from unauthorized removal, whenever portable gauges are not under the control and constant surveillance of the licensee" (i.e., when not in use). Guidance on these security procedures is provided in the errata sheet for Appendix H of NUREG-1556, Volume 1, Revision 1 which may be located at: http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1556/v1/r1/**.**

Also note that items 8.A. and 8.B. were modified to reflect a possession limit for cesium-137 and americium-241 to quantities below the International Atomic Energy Agency's Category 3 amounts of radioactive material. Possession of radioactive material in quantities below the Category 3 thresholds indicates that the license can be made publicly available after issuance since it does not meet the Sensitive Unclassified Non-Safeguards Information criteria as described in NRC's Regulatory Issue Summary 2005-31 (http://www.nrc.gov/reading-rm/doc-collections/gen-comm/reg-issues/2005/**).**

NRC expects licensees to conduct their programs with meticulous attention to detail and a high standard of compliance. Because of the serious consequences to employees and the public that can result from failure to comply with NRC requirements, you must conduct your radiation safety program according to the conditions of your NRC license, representations made in your license application, and NRC regulations. In particular, note that you must:

1. Operate by NRC regulations 10 CFR Part 19, "Notices, Instructions and Reports to Workers: Inspection and Investigations," 10 CFR Part 20, "Standards for Protection Against Radiation," and other applicable regulations.

2. Notify NRC in writing of any change in mailing address.

3. Request and obtain a license amendment before you:

    a. Change Radiation Safety Officers;

    b. Order byproduct material in excess of the amount, radionuclide or form authorized on the license;

    c. Add or change the areas or address(es) of use identified in the license application or on the license; or

    d. Change the name or ownership of your organization.

In addition, please note that NRC Form 313 requires the applicant, by signature, to verify that the applicant understands that all statements contained in the application are true and correct to the best of the applicant's knowledge. The signatory for the application should be the licensee or certifying official rather than a consultant. Since the NRC also accepts a letter requesting amendment of an NRC license, the signatory for such a request should also be the licensee or certifying official rather than a consultant.

NRC will periodically inspect your radiation safety program. Failure to conduct your program according to NRC regulations, license conditions, and representations made in your license application and supplemental correspondence with NRC may result in enforcement action against you. This could include issuance of a notice of violation; imposition of a civil penalty; or an order suspending, modifying, or revoking your license as specified in the NRC Enforcement Policy. The NRC Enforcement Policy is available on the following internet address: http://www.nrc.gov/reading-rm/doc-collections/enforcement/.

The NRC no longer publishes the NRC Rules and Regulations loose leaf supplements. However, an electronic version of the NRC's regulations is available on the NRC Web site at www.nrc.gov. Additional information regarding use of radioactive materials may be obtained on the NRC Web site at http://www.nrc.gov/materials/miau/mat-toolkits.html. This site also provides the link to the toolbox for updated information on the revised regulations for naturally-occurring and accelerator-produced radioactive materials (NARM).

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at http://www.nrc.gov/reading-rm/adams.html.

Thank you for your cooperation.

Sincerely,

/RA/

Rachel S. Browder, Health Physicist
Nuclear Materials Safety Branch B

Docket: 030-29132
License: 42-26826-01
Control: 471615

Enclosure: As stated

Amendment No. 06

MATERIALS LICENSE

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations, Chapter I, Parts 30, 31, 32, 33, 34, 35, 36, 39, 40, and 70, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations, and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

Licensee	In accordance with letter dated December 21, 2007
1. Zachry Industrial, Inc.	3. License number 42-26826-01 is amended in its entirety to read as follows:
2. P.O. Box 240130 San Antonio, Texas 78224-0130	4. Expiration date August 31, 2011
	5. Docket No. 030-29132 Reference No.

6. Byproduct, source, and/or special nuclear material	7. Chemical and/or physical form	8. Maximum amount that licensee may possess at any one time under this license
A. Cesium-137	A. Sealed sources (AEA Technology/QSA, Inc., Model No. CDCW556; Isotope Product Laboratories Model No. HEG-137)	A. 100 millicuries total. No single source to exceed the maximum activity specified in the certificate of registration issued by NRC or an Agreement State
B. Americium-241	B. Sealed neutron sources (AEA Technology/QSA, Inc., Model No. AMNV.997; Isotope Product Laboratories Model Nos. Am1.NO2, 3021 or 3027)	B. 500 millicuries total. No single source to exceed the maximum activity specified in the certificate of registration issued by NRC or an Agreement State

9. Authorized use

A. and B. In Troxler Electronic Laboratories, Inc., Model No. 3400 Series portable gauging devices for measuring physical properties of materials.

CONDITIONS

10. Licensed material may be stored and used at temporary sites anywhere in the United States where the U.S. Nuclear Regulatory Commission maintains jurisdiction for regulating licensed material, including areas of exclusive Federal jurisdiction within Agreement States.

If the jurisdiction status of a Federal facility within an Agreement State is unknown, the licensee should contact the federal agency controlling the job site in question to determine whether the proposed job site is an area of exclusive Federal jurisdiction. Authorization for use of radioactive materials at job sites in Agreement States not under exclusive Federal jurisdiction shall be obtained from the appropriate state regulatory agency.

MATERIALS LICENSE
SUPPLEMENTARY SHEET

License Number
42-26826-01

Docket or Reference Number
030-29132

Amendment No. 06

11. Licensed material shall only be used by, or under the supervision and in the physical presence of, individuals who have received the training described in facsimile dated August 21, 2001.

12. A. The Radiation Safety Officer (RSO) for this license is Franklin D. Anderson.

    B. Before assuming the duties and responsibilities as RSO for this license, future RSOs shall have successfully completed one of the training courses described in Criteria in Section 8.8 of NUREG-1556, Volume 1 dated May 1997.

13. A. Sealed sources shall be tested for leakage and/or contamination at intervals not to exceed the intervals specified in the certificate of registration issued by NRC under 10 CFR 32.210 or by an Agreement State.

    B. In the absence of a certificate from a transferor indicating that a leak test has been made within the intervals specified in the certificate of registration issued by NRC under 10 CFR 32.210 or by an Agreement State prior to the transfer, a sealed source or detector cell received from another person shall not be put into use until tested.

    C. Sealed sources need not be leak tested if they are in storage and are not being used. However, when they are removed from storage for use or transferred to another person, and have not been tested within the required leak test interval, they shall be tested before use or transfer. No sealed source shall be stored for a period of more than 10 years without being tested for leakage and/or contamination.

    D. The leak test shall be capable of detecting the presence of 0.005 microcurie of radioactive material on the test sample. If the test reveals the presence of 0.005 microcurie or more of removable contamination, a report shall be filed with the U.S. Nuclear Regulatory Commission in accordance with 10 CFR 30.50(b)(2), and the source shall be removed immediately from service and decontaminated, repaired, or disposed of in accordance with Commission regulations. The report shall be filed within 5 days of the date the leak test result is known with the U.S. Nuclear Regulatory Commission, Region IV, 611 Ryan Plaza Drive, Suite 400, Arlington, Texas 76011, ATTN: Director, Division of Nuclear Materials Safety. The report shall specify the source involved, the test results, and corrective action taken.

    E. Tests for leakage and/or contamination, limited to leak test sample collection shall be performed by the licensee or persons specifically licensed by the U.S. Nuclear Regulatory Commission or an Agreement State to perform such services. The licensee is not authorized to perform the analysis. Analysis of leak test samples must be performed by persons specifically licensed by the Commission or an Agreement State to perform such services.

14. Sealed sources or source rods containing licensed material shall not be opened or sources removed or detached from source rods or gauges by the licensee, except as specifically authorized.

MATERIALS LICENSE
SUPPLEMENTARY SHEET

License Number
42-26826-01

Docket or Reference Number
030-29132

Amendment No. 06

15. The licensee shall conduct a physical inventory every 6 months, or at other interval approved by NRC, to account for all sources and/or devices received and possessed under the license.

16. Each portable gauge shall have a lock or outer locked container designed to prevent unauthorized or accidental removal of the sealed source from its shielded position. The gauge or its container must be locked when in transport, storage, or when not under the direct surveillance of an authorized user.

17. Except for maintaining labeling as required by 10 CFR Part 20 or 71, the licensee shall obtain authorization from NRC before making any changes in the sealed source, device, or source-device combination that would alter the description or specifications as indicated in the respective Certificates of Registration issued either by the Commission pursuant to 10 CFR 32.210 or by an Agreement State.

18. Any cleaning, maintenance, or repair of the gauges that requires detaching the source or source rod from the gauge shall be performed only by the manufacturer or other persons specifically licensed by the Commission or an Agreement State to perform such services.

19. The licensee is authorized to transport licensed material only in accordance with the provisions of 10 CFR Part 71, "Packaging and Transportation of Radioactive Material.

20. A. If the licensee uses unshielded sealed sources extended more than 3 feet below the surface, the licensee shall use surface casing that extends from the lowest depth to 12 inches above the surface and other appropriate procedures to reduce the probability of the source or probe becoming lodged below the surface. If it is not feasible to extend the casing 12 inches above the surface, the licensee shall implement procedures to ensure that the cased hole is free of obstruction before making measurements.

    B. If a sealed source or a probe containing sealed sources becomes lodged below the surface and it becomes apparent that efforts to recover the sealed source or probe may not be successful, the licensee shall notify the U. S. Nuclear Regulatory Commission and submit the report required by 10 CFR 30.50(b)(2) and (c). The licensee shall not abandon the sealed source or probe without obtaining the Commission's prior written consent.

21. In addition to the possession limits in Item 8, the licensee shall further restrict the possession of licensed material to quantities below the minimum limit specified in 10 CFR 30.35(d) for establishing decommissioning financial assurance.

MATERIALS LICENSE
SUPPLEMENTARY SHEET

License Number
42-26826-01

Docket or Reference Number
030-29132

Amendment No. 06

22. Except as specifically provided otherwise in this license, the licensee shall conduct its program in accordance with the statements, representations, and procedures contained in the documents, including any enclosures, listed below. The U.S. Nuclear Regulatory Commission's regulations shall govern unless the statements, representations, and procedures in the licensee's application and correspondence are more restrictive than the regulations.

    A. Application dated April 30, 2001
    B. Facsimile dated August 21, 2001
    C. Letter dated January 29, 2003

FOR THE U.S. NUCLEAR REGULATORY COMMISSION

/RA/

Date: March 26, 2008

By: _____
Rachel S. Browder, Health Physicist
Nuclear Materials Safety Branch B
Region IV
Arlington, Texas 76011