



April 21, 2010

United States Nuclear Regulatory Commission

Attn: Document Control Desk

Washington, DC 20555-0001

Subject: Reply to a Notice of Violation, NRC Inspection Report, Docket Number 030-36174/2010-001 and Notice of Violation, License Number 04-27745-01

Dear Sir,

This letter is a Reply to the Notice of Violation dated March 24, 2010, NRC Inspection Report 030-36174/2010-001 and Notice of Violation. The Notice of Violation (NOV) states in part that we failed to notify Region IV in accordance with both conditions 14 and 19 in regard to a project at Treasure Island, California.

We do not contest the findings of the inspector and we have conducted a thorough investigation of the circumstances surrounding our failure to notify Region IV. This investigation was not to assign blame but to discover what led to the cited events and why they were not discovered and corrected prior to the NRC inspection. We have the following relevant information:

New World Environmental Inc. (NWE) was contracted by Shaw Group to provide health physics support in the event radioactive material was encountered during their lead and PCB remediation operations. We were briefed that the Historical Site Assessment performed by Weston Solutions, Shaw Group (the prime and our client) and the Navy, had determined that the restoration site we were to support on TI was not a radiologically impacted area. NWE's license condition 14 also states in part:

"excluding routine packaging or repackaging for the purposes of transporting and not requiring a job or site specific work package, and characterization and/or final surveys where radioactive materials and or radiation are not likely to be detected."

The Historical Radiological Assessment specifically states for Restoration Site 12:

"Current Uses - Multi-family housing area.

Potential Radionuclides of Concern - Ra-226

Previous Radiological Investigations - None for the known solid waste disposal areas.

Contamination Potential - Unlikely.

Contaminated Media

Surface Soil - None

Subsurface Soil - None

Sediment - None

Surface Water - None

Groundwater - None

Air - None

Structures - None

Drainage Systems - None

Potential Migration Pathways

Surface Soil - None

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Subsurface Soil - None

Sediment - None

Surface Water - None

Groundwater - None

Air - None

Structures - None

Drainage Systems – None

Recommended Actions - Perform radiation monitoring during soil excavation of the known solid waste disposal areas.”

Since we were briefed by Shaw and their CHP that they had conducted surveys and trenching and sampling and it was unlikely that we would encounter radioactivity at the temporary job site, our RSO at that time (Mr. Dennis) did not notify the NRC 14 days prior to the initiating of activities under our License because the TI contract fell into the excluded portion of Condition 14. However, at some point after the project started, it was apparent that the initial project assessment that this was not a radiologically impacted area was incorrect; Mr. Dennis should have notified Region IV in order to comply with condition 14. I have not been able to address this specific issue with Mr. Dennis because he left the company over a year ago and we have been unable to contact him.

In regards to the Violation of Condition 19, failure to notify the NRC within 30 days of completing decontamination and decommissioning activities at a temporary job site, we were unable to establish a clear cause. October 1st, 2009 was our last day on the temporary job site which should have prompted the notification no later than the end of that month.

Both of these oversights should have been identified in the annual review of the NWE radiation safety program which is normally conducted by the RSO in January. Unfortunately I overlooked the discrepancy during the review.

In 22 years of performing license activities, under either our California Agreement State License or NRC License, we have never had a violation. Upon receipt of the NOV, we had a meeting which consisted of myself, the RSO, the V.P. of Operations, the NWE Contracting Officer, and NWE Management to discuss the Notice and determine what actions should be taken to prevent a repeat of this violation. The NOV was posted as required with the other required informational notices on the day of the receipt.

We are instituting the following corrective actions:

1. We will immediately initiate a review of the NWE – NRC License conditions with all project management and the contracting personnel. The review will be documented and an attendance roster kept. At that time a review of the NOV with respect to condition 14 and 19 will be made and a discussion of how to ensure prevention of future violations.
2. The RSO, V.P. of Operations, Contracting Manager, and a Management Representative will review current procedures and make any necessary modifications required to ensure that the RSO will be notified in the event of an operations or contract change that may affect license conditions.
3. The RSO will review the current corporate radiation safety program following the guidelines in the NRC Information Notice 96-28 and report to the NWE Radiation Safety Committee his findings and recommendations.

4. All changes to business and field operations adapted will be documented and disseminated to the appropriate personnel.
5. Items 1, 2, and 3 will be completed within 30 days of the date of this letter. Item 4 will be completed within 90 days.

We have been an NRC Licensee for more than 12 years and take very seriously our obligations under our license conditions and other regulatory requirements. I believe these actions outlined above will prevent any future occurrences.

If there are any further questions or responses required in reference to this reply to the notice of violation please contact me.

Respectfully,

A handwritten signature in black ink, appearing to read "Donald Wadsworth". The signature is fluid and cursive, with a large initial "D" and "W".

Donald Wadsworth, R.S.O.
President,
New World Environmental Inc.
925.443.7967

cc: US NRC Regional Administrator
Region IV