



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

July 30, 2010

Docket No. 03038028
EA-10-138

License No. 09-31368-01
FL License No. FL-1136-4

Mark C. Israel, P.E.
President
Universal Engineering Sciences, Inc.
3532 Maggie Boulevard
Orlando, FL 32811

SUBJECT: NRC INSPECTION REPORT NO. 03038028/2010001,
UNIVERSAL ENGINEERING SCIENCES, INC., PENSACOLA, FLORIDA SITE

Dear Mr. Israel:

On April 23 & 27, 2010, Scott Wilson of this office conducted a safety inspection at the office of Universal Engineering Sciences, Inc. (UES), located at 1985 Cope Lane, Pensacola, Florida. The inspection was of activities authorized by the above listed NRC license, which was issued on May 14, 2009, your activities in NRC jurisdiction that had been authorized by a general license granted by 10 CFR 150.20(a) in 2007, and of your activities in areas of NRC jurisdiction in 2008 through May 13, 2009. The inspection was an examination of your licensed activities as they relate to radiation safety and to compliance with the Commission's regulations and the license conditions. The inspection consisted of observations by the inspector, interviews with personnel, and a selective examination of representative records. Additional information regarding training and locations of use in areas of exclusive federal jurisdiction provided in your correspondence received on June 1, 2010, and in telephone conversations on May 10, 2010, June 7, 2010, and June 23, 2010, between representatives of your staff and this office were also examined as part of the inspection. The findings of the inspection were discussed with you and Jim Lewis of your organization during the exit meeting via telephone on July 7, 2010, at the conclusion of the inspection.

Based on the results of this inspection, three apparent violations were identified and one is being considered for escalated enforcement action in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The apparent violation being considered for escalated enforcement action involves the failure to file a "Report of Proposed Activities in Non-Agreement States, Areas of Exclusive Federal Jurisdiction, or Offshore Waters" (NRC Form 241), prior to engaging in licensed activities in areas of exclusive federal jurisdiction. Specifically, on multiple occasions during the period between January 2008, and May 13, 2009, UES conducted nuclear density testing, a licensed activity, within NRC jurisdiction within areas of exclusive federal jurisdiction without an NRC license and without filing NRC Form 241. The other two apparent violations involve not providing recurrent hazmat worker training as required by 10 CFR 71.5(a) and, not implementing the use of a utilization log for gauges as required by Condition 20 of License No. 09-31368-01. We note that you have taken corrective actions to address these matters as documented in the enclosed Inspection Report. As a result, it may not be necessary for you to provide more information or to conduct a

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Pre-decisional Enforcement Conference (PEC) in order to enable the NRC to make an enforcement decision. In addition, since your facility has not been the subject of escalated enforcement actions within the last two years or last two inspections, and based on our understanding of your corrective actions, a civil penalty may not be warranted in accordance with Section VI.C.2 of the Enforcement Policy.

Before the NRC makes its enforcement decision, we are providing you an opportunity to: (1) respond to the apparent violations addressed in this inspection report within 30 days of the date of this letter, or (2) request a PEC. If a PEC is held, it will be open for public observation and the NRC will issue a press release to announce the time and date of the conference. Please contact Scott Wilson at (610) 337-5136 within 10 days of the date of this letter to notify the NRC if you desire a PEC or plan to provide a written response.

If you provide a written response, it should be clearly marked as a "Response to Apparent Violations in Inspection Report No. 03038028/2010001; EA-10-138" and should include for each apparent violation: (1) the reason for the apparent violation, or, if contested, the basis for disputing the apparent violation; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken to avoid further violations; and (4) the date when full compliance will be achieved. Your response may reference or include previously docketed correspondence, if the correspondence adequately addresses the required response.

If you request a PEC, the conference will afford you the opportunity to provide your perspective on the apparent violation being considered for escalated enforcement, and any other information that you believe the NRC should take into consideration before making an enforcement decision. The topics discussed during the conference may include: information to determine whether a violation occurred, information to determine the significance of a violation, information related to the identification of a violation, and information related to any corrective actions taken or planned to be taken. In presenting your corrective actions, you should be aware that the promptness and comprehensiveness of your actions will be considered in assessing any civil penalty for the apparent violations. The guidance in the enclosed excerpt from NRC Information Notice 96-28, "Suggested Guidance Relating to Development and Implementation of Corrective Action," may be helpful. If you choose to participate in a PEC, the PEC should be held within 30 days of the date of this letter.

If an adequate response is not received within the time specified or an extension of time has not been granted by the NRC, the NRC will proceed with its enforcement decision.

In addition, please be advised that the number and characterization of apparent violations described in the enclosed inspection report may change as a result of further NRC review. You will be advised by separate correspondence of the results of our deliberations on this matter.

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

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Current NRC regulations are included on the NRC's website at www.nrc.gov; select **Nuclear Materials; Medical, Academic, and Industrial Uses of Nuclear Material**; then **Regulations, Guidance, and Communications**. The current NRC Enforcement Policy is included on the NRC's website at www.nrc.gov; select **About NRC; How We Regulate; Enforcement**; then **Enforcement Policy**. You may also obtain these documents by contacting the Government Printing Office (GPO) toll-free at 1-866-512-1800. The GPO is open from 7:00 a.m. to 6:30 p.m. EST, Monday through Friday (except Federal holidays).

Sincerely,

Original signed by Pamela J. Henderson For

John D. Kinneman, Director
Division of Nuclear Materials Safety

Docket No. 030-38028
License No. 09-31368-01

Enclosures:

1. Inspection Report No. 03038028/2010001
2. Excerpt from NRC Information Notice 96-28

cc w/enclosure 1:
J. Lewis, Radiation Safety Officer
State of Florida

Mr. Israel

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cc w/enclosure 1:
J. Lewis, Radiation Safety Officer
State of Florida

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OFFICE	DNMS/RI	N	DNMS/RI	N	DNMS/RI	N	ORA/RI	E	DNMS/RI	N
NAME	SWilson/SLW*		MMiller/MTM*		JKinneman/JDK*		DHolody/MMM For		JKinneman/PJH For	
	7/22/2010		7/22/2010		7/26/10		7/28/10		7/30/10	

*see prior concurrence