



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
612 EAST LAMAR BLVD, SUITE 400
ARLINGTON, TEXAS 76011-4125

May 25, 2011

Ms. Susan Fraser, President/CEO
High Mountain Inspection Service, Inc.
P.O. Box 1508
Mills, WY 82644-1508

SUBJECT: NOTICE OF VIOLATION
NRC INSPECTION REPORT 030-33887/2009-001 AND INVESTIGATION
REPORT 4-2009-064

Dear Ms. Fraser:

This refers to the routine, unannounced inspection conducted on June 2, 2009, at the High Mountain Inspection Services, Inc. (High Mountain), facility located in Casper, Wyoming, with continued in-office review through January 21, 2011. The apparent violations identified involved the failure to make timely notifications of new storage locations as required by 10 CFR 34.101(c), and the failure to conduct a public dose assessment in unrestricted areas at the Casper, Wyoming, corporate office location as required by 10 CFR 20.1302.

The preliminary findings of the inspection were discussed with Mr. Kevin MacManus, High Mountain's radiation safety officer, on July 1, 2009. Subsequently, the NRC conducted an investigation into the circumstances surrounding the violations. After reviewing the inspection and investigation findings, a final exit meeting was conducted telephonically with you and Mr. MacManus on January 21, 2011. An inspection report identifying the apparent violations was issued on January 25, 2011 (ML110250716).

On March 8, 2011, a predecisional enforcement conference was conducted with Mr. MacManus and you to discuss the apparent violations, their significance, their root cause, and your corrective action. During the conference, you acknowledged that the violations occurred and you provided corrective actions to prevent violations from recurring. At our request, in a letter dated March 25, 2011 (ML11087A035), Mr. MacManus documented the corrective actions that High Mountain has taken. However, because that letter contains security-related information, the letter is not publicly available.

As noted in our January 25, 2011, cover letter to the inspection report, apparent violations of NRC's security-related requirements were identified and were discussed during the conference. You are being informed of the results of our enforcement determinations of the security-related issues by separate correspondence which is not publicly available. This letter only discusses violations involving the NRC's radiation safety requirements and, therefore, this letter is being made publicly available.

Based on the information developed during the inspection and the investigation, and the information provided during the predecisional enforcement conference, the NRC has determined that violations of NRC requirements occurred. These violations are cited in the enclosed Notice of Violation and the circumstances surrounding them are described in detail in the subject inspection report. These violations have been categorized at Severity Level IV in accordance with the NRC Enforcement Policy. The violations involved failures to:

(1) demonstrate compliance with annual dose limit to members of the public as required by 10 CFR 20.1302, and; and (2) notify the NRC of storage locations where material was stored for periods in excess of 180 days in a calendar year in accordance with the requirements of 10 CFR 34.101(c). The violations are cited in the enclosed Notice because they were identified by the NRC.

The NRC has concluded that information regarding the reason for the violations, the corrective actions taken and planned to correct the violations and prevent recurrence and the date when full compliance was achieved is already adequately addressed on the docket in your March 25, 2011, letter and NRC Inspection Report 030-33887/2009-001. Therefore, you are not required to respond to this letter unless the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instruction as specified in the enclosed notices of violation.

In accordance with 10 CFR 2.390 of the NRC's Rules of Practice, a copy of this letter, its enclosure, and any response you provide related to these issues will be available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management 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.

If personal, privacy or proprietary information is necessary to provide an acceptable response, please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such information, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g. explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information).

High Mountain Inspection Service, Inc. - 3 -
EA-10-176

If you have any questions concerning this letter or the enclosed Notice, please contact
Ms. Vivian Campbell, Deputy Director, Division of Nuclear Materials Safety, at 817-860-8287.

Sincerely,

/RA/

Roy J. Caniano, Director
Division of Nuclear Materials Safety

Docket No: 030-33887
License No: 49-26808-02

Enclosure:
Notice of Violation

cc: (w/Enclosure):
Scott Ramsey
Radiological Services Supervisor
Wyoming Office of Homeland Security
2421 East 7th Street
Cheyenne, WY 82001

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Hard copy:
RIV Materials Docket File (5th Floor)
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ADAMS	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> SUNSI Review Complete		Reviewer Initials:
<input checked="" type="checkbox"/> Publicly Available		<input type="checkbox"/> Non-publicly Available		<input type="checkbox"/> Sensitive	<input checked="" type="checkbox"/> Non-sensitive
Category – KEYWORD :					
NMSB-A	NMSB-A	C:NMSB-A	ACES	RC	
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RJCaniano					
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NOTICE OF VIOLATION

High Mountain Inspection Services, Inc.
Mills, Wyoming

Docket No: 030-33887
License No: 49-26808-02

During an NRC inspection conducted June 2, 2009, with continued in-office review through January 21, 2011, two violations of NRC requirements were identified. In accordance with the NRC Enforcement Policy the violations are listed below:

- A. 10 CFR 20.1301(a)(1) requires, in part, that licensees shall conduct operations so that the total effective dose equivalent to individual members of the public from the licensed operations does not exceed 0.1 rem (1 mSv) in a year.

10 CFR 20.1302(b)(1) requires that the licensee shall show compliance with the annual dose limit in 10 CFR 20.1301 by demonstrating by measurement or calculation that the total effective dose equivalent to the individual likely to receive the highest dose from the licensed operation does not exceed the annual dose limit.

Contrary to the above, as of June 2, 2009, the licensee failed to show compliance with the annual dose limit in 10 CFR 20.1301 by demonstrating by measurement or calculation that the total effective dose equivalent to the individual likely to receive the highest dose from licensed operations did not exceed the annual dose limit. Specifically, the licensee stored 32 radiographic exposure devices containing various quantities of iridium-192 in its permanent storage vault located at the main office in Mills, Wyoming, and failed to show that the individual likely to receive the highest dose from that licensed operation would not exceed the annual dose limit in 10 CFR 20.1301.

This is a Severity Level IV violation (Example 6.7)

- B. 10 CFR 34.101(c) requires, in part, that any licensee conducting radiographic operations or storing radioactive material at any location not listed on the license for a period in excess of 180 days in a calendar year, shall notify the NRC regional office prior to exceeding the 180 days.

Contrary to the above, on various occasions from 2003 through June 2010, the licensee stored radioactive material at a location not listed on the license for a period in excess of 180 days in a calendar year and failed to notify the NRC regional office prior to exceeding the 180 days. Specifically, the licensee stored radioactive material in portable darkrooms on the back of transportation vehicles, in four different locations, for greater than 180 days in a calendar year and did not notify the NRC Region IV office. Listed below are the four locations that the licensee did not list on its license, and the time the material was stored at each corresponding location.

- A location on Alpine Circle, Evanston, Wyoming, for a period of 7 months;
- A location on Washington Avenue, Green River, Wyoming, for a period of 14 months;

- A location on College Court, Rock Springs, Wyoming, since 2005, and;
- A second location on College Court, Rock Springs, Wyoming, since 2003.

This is a Severity Level IV violation (Example 6.9)

The NRC has concluded that information regarding the reason for the violations, the corrective actions taken and planned to correct the violations and prevent recurrence, and the date when full compliance was achieved is already adequately addressed on the docket in your March 25, 2011, letter (ML11087A035) and NRC Inspection Report 030-33887/2009-001(ML110250716). However, you are required to submit a written statement or explanation pursuant to 10 CFR 2.201 if the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to respond, clearly mark your response as a "Reply to a Notice of Violation" and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001 with a copy to the Regional Administrator, Region IV, 612 E. Lamar Boulevard, Suite 400, Arlington, Texas 76011, within 30 days of the date of the letter transmitting this Notice of Violation.

If you choose to respond, your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. Therefore, to the extent possible, the response should not include any personal privacy, proprietary or safeguards information so that it can be made available to the public without redaction.

In accordance with 10 CFR 19.11, you may be required to post this Notice within 2 working days from receipt.

Dated this 25th day of May 2011