



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

May 27, 2011

Geo-Engineering & Testing, Inc.
ATTN: Ukrit Siriprusanan
Radiation Safety Officer
P.O. Box 8170
Tamuning, Guam, 96931-8170

SUBJECT: LICENSE AMENDMENT AND NOTICE OF VIOLATION

Dear Mr. Siriprusanan:

Please find enclosed Amendment Number 03 to License No. 56-18173-02 **establishing maximum possession limits and adding the Seaman Nuclear Corp Model C-300 portable gauge. Please note, the manufacturer's name and model numbers listed in item 7 are per the sealed source and device registry applicable to the Troxler, CPN International Inc., and Seaman Nuclear Corp gauge you possess.** An environmental assessment for this action is not required since this action is categorically excluded under 10 CFR 51.22(c)(14)(viii). You should review the enclosed document carefully and be sure that you understand all conditions. You can contact Lizette Roldán-Otero, Ph.D. of my staff at (817) 276-6596 if you have any questions about this license.

On August 8, 2005, the President of the United States signed the Energy Policy Act of 2005 (EPAAct) into law. Section 651(e) of the EPAAct expanded the definition of byproduct material to include naturally occurring and accelerator-produced radioactive materials (NARM), such as radium 226 contained in sealed sources, which were not previously regulated by the Nuclear Regulatory Commission (NRC). Although the legislation made NRC's authority over these new materials effective immediately, the NRC did not have regulations in place that would specifically apply to this newly covered byproduct material. Therefore, the NRC issued a time-limited waiver on August 31, 2005 (70 FR 51581), for continued use and possession of NARM, allowing time for the NRC to develop regulations to implement the new requirements.

The NRC issued three Regulatory Information Summaries (RIS) informing licensees, manufacturer and distributors, and Agreement States of the recent issuance of regulations concerning the new byproduct materials. The RIS notified recipients that the NRC would be terminating waivers in phases, beginning in November 30, 2007. The RIS explained that upon waiver termination, all persons in possession of material newly defined as byproduct material associated with the respective termination phase would be expected to be in compliance with NRC regulations. In addition, the RIS identified that such persons would be required to (1) submit license amendment requests for NARM within 6 months from the date the waiver is terminated if they hold an NRC specific byproduct materials license, or (2) submit a license application for NARM within 12 months from the date the waiver is terminated.

In accordance with the transition plan, the due date for submitting a license amendment request for NARM users in Guam was March 31, 2009. Geo-Engineering & Testing, Inc., submitted a license amendment request for NARM dated March 9, 2011.

Notwithstanding the issuance of the Federal Register notice and the RIS, it is recognized that some entities may not have been aware of the new regulatory requirements. The NRC has reviewed your license amendment request which was submitted after the due date of March 31, 2009. After considering the information developed during the review of your amendment request and in accordance with Enforcement Guidance Memorandum EGM-09-004, the NRC has determined to issue a Severity Level IV violation for the possession of radioactive material without a license issued by the NRC.

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. In accordance with 10 CFR 30.36(d), notify NRC, promptly, in writing within 60 days, and request termination of the license:
 - a. When you decide to terminate all activities involving materials authorized under the license whether at the entire site or any separate building or outdoor area;
 - b. If you decide not to acquire or possess and use authorized material; or
 - c. When no activities under the license have been conducted for 24 months.
4. 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.
5. Submit a complete renewal application or termination request at least 30 days before the expiration date on your license. You will receive a reminder notice approximately 90 days before the expiration date. Possession of radioactive material after your license expires is a violation of NRC regulations.

The 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/>.

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

Jack E. Whitten, Chief
Nuclear Materials Safety Branch B

Docket: 030-36590
License: 56-18173-02
Control: 574663 & 574742

Enclosures:

1. License
2. Notice of Violation

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Jack E. Whitten, Chief
 Nuclear Materials Safety Branch B

Docket: 030-36590
 License: 56-18173-02
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Enclosures:

1. License
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ADAMS: <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> SUNSI Review Complete	Reviewer Initials: LRO	
	<input checked="" type="checkbox"/> Publicly Available	<input checked="" type="checkbox"/> Non-Sensitive	
Category A.	<input type="checkbox"/> Non-publicly Available	<input type="checkbox"/> Sensitive	
KEYWORD: Non-sensitive			
NMSB-B	C:NMSB-B		
LRoldán-Otero	JEWhitten		
/RA/	/RA/		
05/27/2011	05/27/2011		

OFFICIAL RECORD COPY

T=Telephone

E=E-mail

F=Fax

ENCLOSURE 1 – NRC LICENSE