



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

September 29, 2011

EA-11-182

Ausenco Vector
ATTN: Kenneth R. Criley
Radiation Safety Officer
143E Spring Hill Drive
Grass Valley, California 95945

SUBJECT: NRC INSPECTION REPORT 150-00004/2011-001 AND NOTICE OF VIOLATION

Dear Mr. Criley:

This letter refers to the in-office inspection conducted by the U.S. Nuclear Regulatory Commission (NRC or Commission) between March 30 and August 25, 2011. The in-office inspection was an examination of activities conducted under the general license granted in accordance with 10 CFR 150.20 as they relate to safety and security and compliance with the Commission's rules and regulations, as well as the conditions of the Ausenco Vector Agreement State license (State of California Radioactive Materials License 4889-29). Within these areas, the inspection consisted of selected examination of representative records and telephonic and electronic communications. Preliminary inspection findings were discussed with Ms. Margaret Dell-Era of your staff on May 9, 2011. A final exit briefing was conducted with you and Ms. Dell-Era on August 25, 2011.

Based on the results of this inspection, the NRC has determined that two violations of NRC requirements occurred. The first violation involved the failure to limit general license activities, in an area of exclusive Federal jurisdiction, to 180 days in a calendar year. The second violation involved the failure to file a submittal containing an NRC Form 241, a copy of the Agreement State specific license, and the appropriate fee with the Regional Administrator of the appropriate regional office. The submittal must be filed at least 3 days before engaging in licensed activities for the first time in a calendar year in an area of exclusive Federal jurisdiction. These violations were evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's website at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The violations are cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding them are described in the subject Notice. These violations are being cited in the Notice because, rather than being self-identified, they were identified by the NRC.

The NRC has categorized these violations as Severity Level IV violations as opposed to the nominal Severity Level III. This action was based on the following: (1) the licensee did not understand that the 180-day limit specified in 10 CFR 150.20 included days of use and storage of licensed material; (2) the licensed material was appropriately stored in accordance with 10 CFR 30.34(i), (3) the leak test record for the licensed material indicated that no removable contamination was present; (4) the licensee took immediate corrective actions, including, but not

limited to, agreeing to stop use of the gauge within areas of exclusive Federal jurisdiction until an NRC general license was obtained and filing a submittal to conduct licensed activities in NRC jurisdiction when informed of the need to do so by NRC staff; and (5) willfulness was not associated with the violations.

The NRC has concluded that information regarding the reason for the violations, the corrective actions taken to correct the violations and prevent recurrence, and the date when full compliance was achieved is already adequately addressed in the application for a general license dated May 9, 2011 (ML111300100), and letter dated August 11, 2011 (ML112240203). 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 instructions specified in the enclosed Notice.

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 Web site at 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.

Should you have any questions concerning this inspection, please contact Roberto J. Torres at 817-860-8189 or the undersigned at 817-860-8197.

Sincerely,

/RA/

Jack Whitten, Chief
Nuclear Materials Safety Branch B

Docket: 150-00004
License: General License Pursuant
to 10 CFR 150.20

Enclosure:
Notice of Violation

cc w/enclosure:
Gary W. Butner
Radiologic Health Branch
P.O. Box 997414, MS 7610
Sacramento, California 95899-7414

bcc w/Enclosure via e-mail:

E. Collins, RA
A. Howell, DRA
R. Caniano, D:DNMS
V. Campbell, DD:DNMS
J. Whitten, C:NMSB-B
R. Torres, NMSB-B
M. Herrera, Fee Coordinator
R4DNMS_MS-A
C. Maier, ES:ACES

Hard Copy:
RIV Materials Docket File

SUNSI review completed: ADAMS: X Yes Initials: RJT
X Publicly Available X Non-Sensitive
ML11272A157

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Final: R:_DNMS\!2011\AUSENCO VECTOR NOV – HQ accepted changes

RIV:DNMS:NMSB-B	RIV:ACES	C:NMSB-B
RJTorres;dlf	MCMaier	JEWhitten
/RA/	E - w/changes	/RA/
8/30/11	8/31/11 & 9/15/11	9/29/11

OFFICIAL RECORD COPY

T=Telephone E=E-mail F=Fax

NOTICE OF VIOLATION

Ausenco Vector
Grass Valley, California

Docket: 150-00004
License: General License Pursuant
to 10 CFR 150.20
EA-11-182

During an NRC in-office inspection conducted between March 30 and August 25, 2011, two violations of NRC requirements were identified. In accordance with the NRC Enforcement Policy, the violations are listed below:

10 CFR 150.20(a)(1) provides, in part, that any person who holds a specific license from an Agreement State is granted a general license to conduct the same activity in non-Agreement States, areas of exclusive Federal jurisdiction within Agreement States, and offshore waters, provided that the provisions of 10 CFR 150.20(b) have been met.

1. 10 CFR 150.20(b)(4) requires, in part, with an exception not applicable here, that any person engaging in activities in non-Agreement States or in areas of exclusive Federal jurisdiction within Agreement States, shall not possess or use radioactive materials, or engage in the activities authorized in paragraph (a) of 10 CFR 150.20, for more than 180 days in any calendar year.

Contrary to the above, from March 24 to December 31, 2010, the licensee engaged in activities in non-Agreement States or in areas in exclusive Federal jurisdiction within Agreement States that possessed or used radioactive materials, or engaged in the activities authorized in paragraph (a) of 10 CFR 150.20, for more than 180 days in any calendar year. Specifically, Ausenco Vector (formerly Vector Engineering, Inc.) used and stored one portable nuclear gauge, in Guam, a U.S. Territory under exclusive Federal jurisdiction, for 283 days in calendar year 2010.

This is a Severity Level IV violation (Section 6.9).

2. 10 CFR 150.20(b)(1) requires, in part, that any person engaging in activities in non-Agreement States, in areas of exclusive Federal jurisdiction within Agreement States, or in offshore waters, shall, at least 3 days before engaging in each activity, for the first time in a calendar year, file a submittal containing an NRC Form 241, "Report of Proposed Activities in Non-Agreement States," a copy of its Agreement State specific license, and the appropriate fee with the U.S. Nuclear Regulatory Commission Regional Office in which the Agreement State that issued the license is located.

Contrary to the above, in calendar year 2011, the licensee engaged in activities in non-Agreement States, in areas of exclusive Federal jurisdiction within Agreement States, or in offshore waters failed to, at least 3 days before engaging in each activity, for the first time in a calendar year, file a submittal containing an NRC Form 241, "Report of Proposed Activities in Non-Agreement States," a copy of its Agreement State specific license, and the appropriate fee with the U.S. Nuclear Regulatory Commission Regional Office in which the Agreement

Enclosure

State that issued the license is located. Specifically, Ausenco Vector (formerly Vector Engineering, Inc.), failed to file a submittal at least 3 days before engaging in the storage of a portable gauge in Guam, a U.S. Territory under exclusive Federal jurisdiction, in calendar year 2011.

This is a Severity Level IV violation (Section 6.9).

The NRC has concluded that information regarding the reason for the violations, the corrective actions taken to correct the violations and prevent recurrence, and the date when full compliance was achieved is already adequately addressed in NRC Form 241, "Report of Proposed Activities in Non-Agreement States," dated May 9, 2011 (ML111300100), and letter dated August 11, 2011 (ML112240203). 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, EA-11-182," 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 East Lamar Blvd., Suite 400, Arlington, Texas 76011-4125, within 30 days of the date of the letter transmitting this Notice of Violation (Notice).

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001.

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 document system (ADAMS), accessible from the NRC Web site at www.nrc.gov/reading-rm/pdr.html or 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 of receipt.

Dated this 29th day of September 2011