

October 27, 2011

United States Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, DC 20555

License No. 42-27787-01
Docket No. 030-36709

Subject: REPLY TO NOTICE OF VIOLATION

Dear Sir or Madam,

This letter provides our response to the Notice of Violation (NOV) dated September 30, 2011, concerning the inspection conducted on July 05, 2011 at our Stafford, TX office. The details of the violations and our responses are given below:

- A. Failure to notify the U. S. Nuclear Regulatory Commission (NRC) per license conditions 13 and 14 of License No. 42-22787-01.

PIKA International, Inc. (PIKA) is contesting this NOV. Our interpretation of these license conditions is that notification is NOT required when PIKA's work at a client's facility is done solely under the client's license. This is how we have been operating since the license was issued. Numerous NRC inspections were performed over the years that served to confirm this interpretation. A new interpretation was presented, without basis, by your inspector after the recent inspection: namely, that the following projects required notification to NRC by PIKA.

- Aberdeen Proving Ground. This project was performed under the Army Research Lab's radioactive materials license #SMB-141, and under the supervision of the Aberdeen Radiation Safety Officer (RSO). Although not required, a courtesy notification letter was sent to Region IV on August 5, 2009 (copy attached) indicating that formal notification was NOT required. Since notification is not required, the license sharing agreement under condition 14 is likewise not required. Region IV never questioned this approach.
- McClellan Park Project. This project was discussed via emails with Region IV, and PIKA was directed to seek a radioactive materials license from California. A Radioactive Material License was obtained from the State of California. Copies of these emails are attached. The project is being performed under California Radioactive Material License #7857-34 and not under the NRC license issued to PIKA.
- The remaining projects mentioned in the NOV (Rock Island Arsenal, Anniston Army Depot, etc.) are all waste repackaging and shipping projects. These projects are all excluded from the notification requirement by Condition 13 which states "...routine packaging or repackaging for purposes of transporting and not

IED7
RGN-IV

requiring a job or site specific work package..." are excluded. Therefore, NRC notification was not required.

We respectfully request that this violation be removed from PIKA's record by the NRC.

B. Failure to resubmit a Decommissioning Funding Plan.

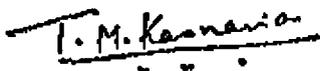
- i. A Decommissioning Funding Plan was first submitted in 2006. This was for zero dollars, since PIKA does not maintain an inventory of radioactive material or contaminated equipment. A resubmittal, due in 2009 was simply forgotten until it was brought to our attention during the recent inspection.
- ii. As a corrective action, PIKA has prepared a schedule of requirements (Radiation Safety Program Checklist) that includes resubmittal of the Decommissioning Funding Plan every three years. A copy of this schedule is attached. In addition, PIKA submitted an updated Decommissioning Funding Plan to the NRC on August 2, 2011.
- iii. As a future corrective action, PIKA will review this schedule of requirements at periodic Radiation Safety Committee meetings.
- iv. With the recent submittal of the Decommissioning Funding Plan, full compliance has been achieved. See NRC's acknowledgement letter, attached.

C. Failure to hold quarterly Radiation Safety Committee meetings in 2009 and 2011.

- i. Radiation Safety Committee meetings were not held during periods of relatively slow work activity. However, informal work discussions are substituted.
- ii. As a corrective action, PIKA has prepared a schedule of requirements that includes quarterly Radiation Safety Committee meetings. A copy of this schedule is attached. In addition, PIKA held a committee meeting on July 20, 2011.
- iii. As a future corrective action, PIKA will review this schedule of requirements periodically.
- iv. With the recent third quarter meeting, full compliance has been achieved.

Please feel free to call me if you have any questions or concerns regarding this letter.

Respectfully,



Terry Kasnavia, President

cc: Joel I. Cehn, RSO

US NRC, Region IV Administrator
611 Ryan Plaza Drive, Suite 400
Arlington, Texas 76011-8064

US NRC, Director, Office of Enforcement
Washington, DC 20555



August 5, 2009

U.S. Nuclear Regulatory Commission, Region IV
Attn. Nuclear Materials Licensing Branch
611 Ryan Plaza Drive, Suite 400
Arlington, TX 76011-8064

Reference: License No. 42-27787-01; Docket No.030-36709

Dear Sir;

PIKA will be conducting work, starting this month, at the Aberdeen Proving Ground, MD. This work involves decommissioning of depleted uranium facilities, and will be performed under the Army Research Lab's radioactive materials license #SMB-141.

Since this work will not be performed under PIKA's license, no formal notification is required. Nevertheless, I am providing this courtesy notification of this project.

Please contact me if you have any questions on this submittal.

Very truly yours,

A handwritten signature in black ink that reads "Joel I. Cehn". The signature is written in a cursive style with a large initial "J".

Joel I. Cehn
RSO

cc: Srinu Neralla, PIKA
Richard Markland, Army Research Laboratory
RSO Files



Joel Cehn <jcehn@pikainc.com>

FW: jurisdiction at McClellan Park

3 messages

Browder, Rachel <Rachel.Browder@nrc.gov>

Thu, Nov 5, 2009 at 12:38 PM

To: Joel Cehn <jcehn@pikainc.com>

Cc: "Simmons, Michelle" <Michelle.Simmons@nrc.gov>, "Cook, Jackie" <Jackie.Cook@nrc.gov>, "Torres, RobertoJ" <RobertoJ.Torres@nrc.gov>

Joel,

Please see the following email re: jurisdiction of McClellan Park.

If you wanted to proceed with use of radioactive materials at the Park - then please contact the state of California. If you need a contact name/number, let me know and I'll ask our State Agreements Officer for a contact.

Sincerely,
Rachel

-----Original Message-----

From: McCain, Jay W Civ USAF AFRPA AFRPA/GCN-RPO

[mailto:Jay.McCain@LACKLAND.AF.MIL]

Sent: Thursday, November 05, 2009 12:39 PM

To: Glaspey, Terie R Civ USAF AFRPA AFRPA/BPMW; Walser, Milton W CTR USAF AFRPA AFRPA/BPM; Browder, Rachel

Subject: RE: jurisdiction at McClellan Park

All - There is no exclusive federal jurisdiction land at the former McClellan AFB. What little exclusive jurisdiction there was before closure of the base was retroceded in 1999, or so.

Jay

Jay McCain
SAF/GCN-RPO
3411 Olson Street
McClellan CA 95603
(916) 643-6420 ext. 107

Please use my new email address: jay.mccain@us.af.mil

-----Original Message-----

From: Glaspey, Terie R Civ USAF AFRPA AFRPA/BPMW

Sent: Wednesday, November 04, 2009 11:21 AM

To: Walser, Milton W CTR USAF AFRPA AFRPA/BPM

Cc: McCain, Jay W Civ USAF AFRPA AFRPA/GCN-RPO

Subject: FW: jurisdiction at McClellan Park

Buddy, Phil asked me to forward to you. The question that Rachel from the NRC wants answered is who has jurisdiction - State or Federal. Phil thinks it is State but wanted your opinion as well. He said if you're not sure, you may have to do a little digging. Once we have an answer, we need to get back to Rachel.

Terie
//SIGNED//
TERIE GLASPEY
Administrative Assistant
AFRPA Western Region
3411 Olson Street, McClellan CA 95652-1003
Phone: (916) 643-1250 x 201
Fax: (916) 643-0460

NOTE: My email address is changing to: terie.glaspey@us.af.mil
Please start using this address now.

-----Original Message-----

From: Mook, Philip H Civ USAF AFRPA AFRPA/BPMW
[mailto:Philip.Mook@lackland.af.mil]
Sent: Wednesday, November 04, 2009 11:12 AM
To: terie.glaspey@us.af.mil
Subject: Fw: jurisdiction at McClellan Park

From: Browder, Rachel <Rachel.Browder@nrc.gov>
To: Mook, Philip H Civ USAF AFRPA AFRPA/BPMW
Sent: Wed Nov 04 12:57:09 2009
Subject: jurisdiction at McClellan Park

Phil,

I've received an amendment request from one of our licensees who is only authorized for temporary jobsites, to perform certain activities at their facility located at 5025 Arnold Avenue, McClellan Park, CA. Do you know whether this address is considered exclusive Federal jurisdiction or is it under the State of CA? If the jurisdiction is either concurrent or proprietary, then we consider the Health and Safety (e.g., use of radioactive materials) to be under the jurisdiction of the state.

I appreciate any input that you have.

Sincerely,

Rachel

Rachel S. Browder, CHP

NRC, Region IV

Nuclear Materials Safety Branch B

612 E. Lamar Blvd., Suite 400

Arlington, TX 76011-4125

(817) 276-6552 (office) / (817) 860-8188 (fax)

email address: rachel.browder@nrc.gov <mailto:rachel.browder@nrc.gov>

Joel Cehn <JCEHN@pikainc.com>
To: "Browder, Rachel" <Rachel.Browder@nrc.gov>
Cc: Srimi Neralla <Sneralla@pikainc.com>

Thu, Nov 5, 2009 at 1:01 PM

Thanks Rachel. I have contacts at the State level that I am already calling.

---Joel

Joel I. Cehn, C.H.P.
PIKA International
510-268-1571
281-340-5525

From: Browder, Rachel [<mailto:Rachel.Browder@nrc.gov>]
Sent: Thu 05-11-2009 12:38
To: Joel Cehn
Cc: Simmons, Michelle; Cook, Jackie; Torres, RobertoJ
[Quoted text hidden]

Joel Cehn <jcehn@pikainc.com>
To: Srimi Neralla <sneralla@pikainc.com>

Fri, Oct 7, 2011 at 7:02 AM

This is regarding the germanium project...

--- Joel

Joel I. Cehn, CHP
510-863-1570

----- Forwarded message -----
From: **Browder, Rachel** <Rachel.Browder@nrc.gov>
Date: Thu, Nov 5, 2009 at 12:38 PM
Subject: FW: jurisdiction at McClellan Park
[Quoted text hidden]

Radiation Safety Program Checklist

Beginning of Project:

1. Notify U. S. Nuclear Regulatory Commission (NRC) in writing at least 14 days prior to initiating activities requiring notification under license #42-22787-01, at a site within the jurisdiction of the NRC.
2. Are physicals, bioassays, respirator fits required?
3. Radiation Work Plan (RWP) written and approved? ALARA review performed?
4. RWP explained to and signed by site workers?
5. Workers received training in basic and site specific radiation safety, operating procedures, rules prior to exposure to radiation?
6. Are all required documents on site? Current copies of NRC License, Radiation Safety Manual, RWP, etc.
7. Is NRC Form 3 posted? Is a state version required?

Annual Requirements:

1. Radiation Safety Officer (RSO) review and sign off Radiation Safety Program content and implementation?
2. Review of Radiation Safety Program and signed by all workers on rad sites?
3. Workers received annual radiation safety training? Includes review of RWP and radiation safety program.
4. Dosimetry records up to date, reviewed for ALARA and notification of dose sent out to workers?
5. Perform annual review of each job site to evaluate efforts to maintain ALARA.
6. Renew any site user permits. (e.g., Energy Solutions, USE Richland)
7. Renew any state issued licenses or permits. (e.g., CA license for Ge/Th project)
8. Renew decommissioning funding plan for NRC (every third year; review annually)
9. Verify PIKA is not in possession of radioactive materials in excess of quantities allowed by NRC license.
10. (CA) Provide LLRW shipped and stored information to California DPH. (May be provided on a per shipment basis.)
11. Inform president of PIKA on program status, objectives, quality and dose. (RPM 2.4,g)
12. Review qualifications and training records of individuals transporting or using radioactive materials.
13. Perform annual program audits, review audit findings and corrective actions.

Semi-annual Requirements:

1. Inventory radioactive sources and devices (May & November). Are sources stored and secured properly?
2. Perform leak checks on sources and detector cells containing licensed quantities of β and δ emitting material.

Quarterly Requirements:

1. Sealed sources and detector cells containing licensed quantities of α emitting material will be leak tested.
2. Radiation Safety Committee must meet. (quorum is the chair, RSO and a program manager)

End of Project:

1. (NRC) Within 30 days of completing decontamination/decommissioning at each licensed job site, notify the NRC in writing of the completion and disposition of any licensed material used.
2. (California) 30 days prior to vacating address of use, provide written notification to CDPH.
3. Collect and file all documents required to be maintained by the NRC. (e.g., TLD records, surveys, waste disposal)



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

October 12, 2011

PIKA International, Inc.
ATTN: Tirandaz (Terry) Kasnavia
President/CEO
12723 Capricorn Drive #500
Stafford, Texas 77477

SUBJECT: DECOMMISSIONING FINANCIAL ASSURANCE

The U.S. Nuclear Regulatory Commission has received your company's decommissioning funding plan containing an updated decommissioning cost estimate in letter dated August 2, 2011. No deficiencies were identified in the decommissioning financial assurance documents. You can contact me at 817-860-8189 if you have any questions about this matter.

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

A handwritten signature in black ink, appearing to read "Roberto J. Torres".

Roberto J. Torres, Senior Health Physicist
Nuclear Materials Safety Branch B

Docket: 030-36709
License: 42-27787-01
Control: 575749