



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
1600 EAST LAMAR BLVD
ARLINGTON, TEXAS 76011-4511

August 2, 2012

EA-12-131

Mr. Tim Dudley, General Manager
Colaska, dba Secon Southeast Alaska
1836 Anka Street
P.O. Box 32159
Juneau, Alaska 99801

SUBJECT: NRC INSPECTION REPORT 030-37206/2012-001

Dear Mr. Dudley:

This letter refers to the routine, unannounced inspection conducted on May 17, 2012, with continued in-office review through June 28, 2012, at the Secon Southeast Alaska facility located in Juneau, Alaska. This inspection examined activities conducted under your license as they relate to safety and security, to compliance with the Commission's rules and regulations, and with the conditions of your license. Within these areas, the inspection consisted of a selected examination of procedures and representative records, observations of activities, and interviews with personnel. The inspector discussed the preliminary inspection findings with you at the conclusion of the on-site portion of the inspection. A final exit briefing was conducted telephonically with you and other members of your staff on June 28, 2012. The enclosed report presents the results of this inspection.

Based on the results of this inspection, five apparent violations were identified and are being considered for escalated enforcement in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Web site at www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html. The apparent violations involved failure to: (1) use a minimum of two independent physical controls to secure portable gauges, whenever portable gauges are not under the control and constant surveillance of the licensee (two instances); (2) perform periodic review of the radiation safety program; (3) test sealed sources for leakage annually; (4) conduct physical inventory of sealed sources every 6 months; and (5) lock either the nuclear gauge or outer container to prevent unauthorized or accidental removal of the sealed source from its shielded position. Based on the nature and number of apparent violations identified, the NRC is concerned about the effectiveness of your management oversight activities. Secon Southeast Alaska management had not ensured license requirements were being implemented.

Prior to making an enforcement decision, the NRC is offering you an opportunity to meet with us in a predecisional enforcement conference to discuss these apparent violations. Please contact Mr. Michael Vasquez, Chief, Nuclear Materials Inspection Branch, at 817-200-1130 within the next 5 business days to schedule the conference. The decision to hold a predecisional enforcement conference does not mean that the NRC has determined that a violation has

occurred or that enforcement action will be taken. This conference is being held to obtain information to assist the NRC in making an enforcement decision. This 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. The conference will provide an opportunity for you to provide your perspective on these matters and any other information that you believe the NRC should take into consideration in making an enforcement decision. In particular, we request that you provide information regarding actions you have taken and plan to take (along with a schedule for implementation) to provide the necessary management oversight to reasonably assure yourself that licensed activities are being conducted safely and in compliance with the NRC requirements. 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 NRC Information Notice 96-28, "Suggested Guidance Relating to Development and Implementation of Corrective Action," may be helpful.

You will be advised by separate correspondence of the results of our deliberations on this matter. No response regarding these apparent violations is required at this time.

In accordance with 10 CFR 2.390 of the NRC's Rules of Practice, a copy of this letter, its enclosures, and your response, if you decide 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's 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 you have any questions concerning this matter, please contact Mr. Michael Vasquez, Chief, Nuclear Materials Safety Branch A, at 817-200-1130.

Sincerely,

/RA/ VHCAMPBELL for

Anton Vogel, Director
Division of Nuclear Materials Safety

Docket: 030-37206
License: 50-29231-01

Enclosures:

1. NRC Inspection Report 030-37206/2012-001
2. NRC Information Notice 96-28

cc w/enclosure:
Alaska Radiation Control Program Director

Colaska
dba Secon Southeast Alaska
EA-12-131

- 3 -

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EA-12-131 PEC Letter			
RIV:DNMS/NMSB-A	C:NMSB-A	ACES	D:DNMS
DLStearns;dlf	GMVasquez	MCMaier	AVegel
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U.S. NUCLEAR REGULATORY COMMISSION
REGION IV

Docket: 030-37206
License: 50-29231-01
Report: 030-37206/2012-001
EA: EA-12-131
Licensee: Colaska, dba Secon Southeast Alaska
Location: 5737 Glacier Highway, Juneau, Alaska
Dates: May 17 through June 28, 2012
Inspector: Don Stearns, Health Physicist
Nuclear Materials Safety Branch A
Approved By: Michael Vasquez, Chief
Nuclear Materials Safety Branch A
Attachment: Supplemental Inspection Information

Enclosure

EXECUTIVE SUMMARY

Colaska, dba Secon Southeast Alaska NRC Inspection Report 030-37206/12-001

This was a routine, unannounced inspection of licensed activities involving the use and storage of byproduct material in portable gauges at the licensee's facility located in Juneau, Alaska. The inspection began on May 17, 2012, with continued in-office review through June 28, 2012. This report describes the findings of the inspection.

Program Overview

Colaska, dba Secon Southeast Alaska, is authorized to possess and use byproduct material (cesium-137 and americium-241) in the operation of three portable moisture density gauges within areas of NRC jurisdiction, including temporary jobsites. Use of the portable moisture density gauges is seasonal due to weather conditions. The licensee uses the gauges for compaction testing on road construction projects mainly in Alaska. (Section 1)

Apparent Violations

- Failure to secure portable gauges using two independent physical controls to prevent unauthorized removal, while in storage at the licensee's permanent storage facility in Juneau, Alaska. This was identified as an apparent violation of 10 CFR 30.34(i). (Section 2.2)
- Failure to periodically (at least annually) review the radiation protection program content and implementation. This was identified as an apparent violation of 10 CFR 20.1101(c). (Section 2.2)
- Failure to conduct leakage tests of sealed sources at intervals not to exceed the intervals specified in the certificate of registration issued by the U.S. Nuclear Regulatory Commission under 10 CFR 32.210 or by an Agreement State. This was identified as an apparent violation of License Condition 13.A of NRC License 50-29231-01. (Section 2.2)
- Failure to conduct a physical inventory to account for all sealed sources possessed under the license. This was identified as an apparent violation of License Condition 15 of NRC License 50-29231-01. (Section 2.2)
- Failure to have a lock on each portable gauge or outer container to prevent unauthorized or accidental removal of the sealed source from its shielded position. This was identified as an apparent violation of License Condition 17 of NRC License 50-29231-01. (Section 2.2)

Corrective Actions

1. The licensee took immediate corrective action on the day of the inspection by placing a lock on the Troxler gauge and case and locking the case to the heavy storage box inside the storage building. The door of the storage building was also locked.
2. The licensee purchased a sea-land type container, placed two storage boxes inside, and placed the gauges inside the storage boxes. Both gauges have the required locks. The storage boxes were locked and the door to the sea-land container was locked.
3. The licensee has conducted an inventory of all three gauges and has committed to performing the source leak tests prior to use of the gauges.
4. A review of the radiation protection program was conducted on June 5, 2012

Report Details

1 Program Overview (87124)

1.1 Inspection Scope

The inspector reviewed the license and supporting documentation, interviewed licensee personnel, and examined the storage location at the licensed facility. Collectively, the documents described the licensee's implementation of its radiation safety program. The license was issued in June 2006 and a clear initial inspection was performed on February 15, 2007.

1.2 Observations and Findings

Colaska, doing business as (dba) Secon Southeast Alaska, is authorized to use and possess byproduct material in portable moisture density gauges and conducts licensed activities in the Juneau, Alaska, area. At the time of the inspection, the licensee had three portable moisture density gauges and employed three authorized users. The gauge is dispatched from the Juneau, Alaska, office for work conducted throughout the Juneau, Alaska, area.

2 Inspection Findings (87124)

2.1 Inspection Scope

The inspector conducted interviews with licensee staff and observed licensed activities at the office in Juneau, Alaska. Licensed activities were examined as they relate to the safety and security of the portable gauges and the licensee's efforts to protect members of the public.

2.2 Source Security and Safety

2.2.1 Observation of Gauges

10 CFR 30.34(i) requires portable gauge licensees to use a minimum of two independent physical controls that form tangible barriers to secure portable gauges from unauthorized removal, whenever portable gauges are not under the control and constant surveillance of the licensee.

License Condition 17 of NRC License 50-29231-01 requires that each portable nuclear gauge shall have a lock or outer locked container designed to prevent unauthorized or accidental removal of the sealed source from its shielded position.

On May 17, 2012, during a routine, unannounced inspection, the NRC inspector observed a storage building which was posted "Caution Radioactive Materials" above the door. The door of the building was equipped with a lock hasp and had an unlocked lock hanging from the hasp. Upon investigation, the inspector determined that two portable gauges were being stored inside the building. One gauge was located inside its case immediately inside the door of the storage building without any method of securing

the device to prevent unauthorized removal, as required by 10 CFR 30.34(i). In addition, there was no lock on the gauge or case to prevent unauthorized removal of the source from its shielded position as required by License Condition 17.

The second gauge and case was inside a storage box which was secured with only one lock. This did not satisfy the requirement in 10 CFR 30.34(i) because only one physical control was securing the gauge from unauthorized removal. When removed from the locked storage box, the second gauge and case were found to have a padlock on the case and the gauge to prevent unauthorized removal of the source from its shielded position in accordance with License Condition 17 above.

Neither gauge used a minimum of two independent physical controls that form tangible barriers to secure portable gauges from unauthorized removal, and the portable gauges were not under the control and constant surveillance of the licensee. This was identified as an apparent violation of 10 CFR 30.34(i) (030-37206/2012-001-01). The failure to have a lock on the gauge or the gauge case to prevent unauthorized access to the source was identified as an apparent violation of License Condition 17. (030-37206/2012-001-002).

2.2.2 Annual Program Review

10 CFR 20.1101(c) requires, in part, that the licensee shall periodically (at least annually) review the radiation protection program content and implementation. At the time of the inspection, the licensee had not performed any periodic reviews since calendar year (CY) 2007. The failure to perform a periodic review of the radiation protection program content and implementation was identified as an apparent violation of 10 CFR 20.1101(c). (030-37206/2012-001-03)

2.2.3 Leak Tests

License Condition 13.A of NRC License 50-29231-01 requires that sealed sources shall be tested for leakage or contamination at intervals not to exceed the intervals specified in the certificate of registration issued by the U.S. Nuclear Regulatory Commission under 10 CFR 32.210 or by an Agreement State. The certificate of registration for the Troxler portable gauges requires annual leak tests to be performed on the sealed sources contained within the gauge. The inspector found that the licensee had last conducted a leak test for gauge serial number M340 602103 on December 23, 2010, and for gauge serial numbers 21808 and 30443 on December 27, 2010. In addition, the inspector found that the gauges had been used in CY 2011 and were being used in 2012 (prior to the inspection). The failure to perform sealed source leak tests at intervals not to exceed the intervals specified in the certificate of registration was identified as an apparent violation of License Condition 13.A. (030-37206/2012-001-04)

2.2.4 Physical Inventory

License Condition 15 of NRC License 50-29231-01 requires that the licensee shall conduct a physical inventory every 6 months, or at intervals approved by the U.S. Nuclear Regulatory Commission, to account for all sealed sources and/or devices received and possessed under the license. On May 17, 2012, the licensee provided documentation that showed that the most recent physical inventory was conducted in April 2010. Inventories had not been performed between April 2010 and May 2012,

exceeding the required frequency of 6 months. The failure to conduct a physical inventory every 6 months was identified as an apparent violation of License Condition 15. (030-37206/2012-001-05)

2.3 Conclusions

Five apparent violations were identified during the inspection involving failures to: (1) use a minimum of two independent physical controls to secure portable gauges, whenever portable gauges are not under the control and constant surveillance of the licensee; (2) lock either the nuclear gauge or outer container to prevent unauthorized or accidental removal of the sealed source from its shielded position; (3) perform periodic review of the radiation safety program; (4) test sealed sources for leakage annually; and (5) conduct physical inventory of sealed sources every 6 months.

3 Licensee Corrective Actions

- 3.1 The licensee took immediate corrective action to restore compliance with 10 CFR 30.34(i) and with License Condition 17 on the day of the inspection by placing a lock on the Troxler gauge and case and locking the case to the heavy storage box inside the storage building. The door of the storage building was also locked.
- 3.2 As long-term corrective action, the licensee purchased a sea-land type container, placed two storage boxes inside, and placed the gauges inside the storage boxes. Both gauges had the required locks. The storage boxes were locked and the door to the sea-land container was also locked.
- 3.3 The licensee conducted an inventory of all three gauges and has committed to performing the source leak tests prior to use of the gauges.
- 3.4 A review of the radiation protection program was conducted on June 5, 2012.

4.0 Exit Meeting Summary

A preliminary exit briefing was conducted at the conclusion of the onsite inspection with the plant General Manager, Tim Dudley. A final exit briefing was held telephonically with Mr. Tim Dudley, General Manager, on June 28, 2012. The licensee acknowledged the inspector's findings. No proprietary information was discussed.

PARTIAL LIST OF PERSONS CONTACTED

Tim Dudley, General Manager
Bryce Kidd, Engineer
Zachary Worrell, Radiation Safety Officer

INSPECTION PROCEDURES USED

87124 Portable and Fixed Gauges

ITEMS OPENED, CLOSED, AND DISCUSSED

Opened

030-37206/12001-01	APV	The licensee failed to use two independent physical controls to secure a portable gauge from unauthorized removal while not under the control and constant surveillance of the licensee. This was identified as an apparent violation of 10 CFR 30.34(i).
030-37206/12001-02	APV	The licensee failed to lock either the nuclear gauge or the outer container to prevent unauthorized or accidental removal of the sealed source from its shielded position. This was identified as an apparent violation of License Condition 17.
030-37206/12001-03	APV	The licensee failed to periodically, at least annually, review the radiation protection program implementation since calendar year (CY) 2007. This was identified as an apparent violation of 10 CFR 20.1101(c).
030-37206/12001-04	APV	The licensee failed to conduct leak tests for sealed sources in CY 2011. This was identified as an apparent violation of License Condition 13.A.
030-37206/12001-05	APV	The licensee failed to conduct physical inventories of sealed sources since April 2010. This was identified as an apparent violation of License Condition 15.

LIST OF ACRONYMS USED

APV	apparent violation
CFR	<i>Code of Federal Regulations</i>
CY	calendar year
dba	doing business as
NRC	Nuclear Regulatory Commission