

August 16, 2012

EA-12-138

Mr. Mark Lambert
Transport Logistics International Inc.
8161 Maple Lawn Blvd
Suite 450
Fulton, MD 20759

SUBJECT: TRANSPORT LOGISTICS INTERNATIONAL INC - NRC INSPECTION AND
NOTICE OF VIOLATION

Dear Mr. Lambert:

This letter refers to the inspection completed at the Transport Logistics International Inc. (TLI), Fulton, Maryland facility on May 16, 2012, as documented by the U.S. Nuclear Regulatory Commission (NRC) Office of International Programs (OIP) inspection report dated June 21, 2012. Export license XSNM3649 authorizes TLI to export 90 grams of plutonium (Pu)-239 and 75 grams of uranium (U)-235 in 10 irradiated fuel rods. On November 23, 2010, TLI exceeded the limits of export license XSNM3649 by exporting 180 grams of plutonium, including 110 grams of fissile (Pu-239 and Pu-241), to Sweden. In addition, export license XSNM3704 authorizes TLI to export 4,952 kg of U-235 in 104,264 kg of uranium, and authorizes export of Canadian obligated material. On March 19, 2012, TLI exported Australian obligated material to the Republic of Korea under XSNM3704.

Based on the results of the inspection, and previous email communications with OIP on and subsequent to January 30, 2012, and April 12, 2012, the NRC has determined that two Severity Level IV violations of NRC requirements occurred. These violations were evaluated in accordance with the NRC Enforcement Policy available 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). The violations are being cited because the NRC identified them.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. If you have additional information that you believe the NRC should consider, you may provide it in your response to the Notice. The NRC review of your response to the Notice will also determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosures, and your response, will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system Agencywide Documents Access and Management System, accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not

M. Lambert

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include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction. If personal privacy, proprietary information or safeguards 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). The NRC also includes significant enforcement actions on its Web site at <http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions>.

Please contact Janice Owens at (301) 415-3684 if you have any questions regarding this matter.

Sincerely,

John R. Wray */RA/ for*

Nick D. Hilton, Chief
Enforcement Branch

Docket Nos.: 11005870 and 11005970
License Nos.: XSNM3649 and XSNM3704

Enclosure: Notice of Violation

cc: (See page 3)

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John R. Wray /RA/ for

Nick D. Hilton, Chief
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Docket Nos.: 11005870 and 11005970
License Nos.: XSNM3649 and XSNM3704

Enclosure: Notice of Violation

cc: (See page 3)

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cc:

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Fort Belvoir, VA 22060-6201

Customs and Border Protection
ATTN: Christopher Baugues
LSS Technical Data Assessment & Teleforensic Center
12825 Worldgate Drive
Herndon, VA 20170

National Nuclear Security Administration
Office of Nonproliferation and International Security
U.S. Department of Energy
ATTN: Sean Oehlbert, Global Regimes Programs Director
1000 Independence Avenue, SW
Washington, D.C. 20585-1615

National Nuclear Security Administration
Office of Nonproliferation and International Security
U.S. Department of Energy
ATTN: Mr. Richard S. Goorevich, Senior Policy Advisor
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Office of Nuclear and Missile Technology
Bureau of Industry and Security
U.S. Department of Commerce
ATTN: Steve Clagett
14th Street & Penn Avenue, NW, Room 2631
Washington, D.C. 20230

National Nuclear Security Administration
Office of Nuclear Materials Integration
U.S. Department of Energy
ATTN: Peter Dessaulles, NMMSS Program Manager
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Washington, D.C. 20585-1290

Office of Nuclear Energy,
Safety and Security Affairs, Room 3320 HST
Bureau of International Security and Nonproliferation
U.S. Department of State
ATTN: Robin DeLaBarre
2201 C Street, NW
Washington, D.C. 20520

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Australian Safeguards and Non-Proliferation Office
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Manager, U.S. Export Licensing, Legal & Contracts
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South Carolina Electric & Gas Company
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Bethesda, Maryland 20817