



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

November 1, 2012

Ms. Fenshya Chang  
Industrial Nuclear Company, Inc.  
14320 Wyecroft Rd  
San Leandro, CA 94577

SUBJECT: ERRATA TO NOTICE OF FAILURE TO NOTIFY THE NRC OF IMPORT, AND  
FAILURE TO NOTIFY THE IMPORTING COUNTRY OF SEALED SOURCE  
SHIPMENTS IN VIOLATION OF 10 CFR 110.50(C) – NOTICE OF VIOLATION

Reference: EA-12-144

Dear Ms. Chang:

In a telephone call on September 4, 2012, Mike Rose of Industrial Nuclear Company, Inc. (INC) asked the U.S. Nuclear Regulatory Commission (NRC) for the response instructions to the Notice of Violation (NOV) issued to INC on August 1, 2012. Please find the instructions in the enclosed copy of the NOV (ML12300A257). In addition, the NRC acknowledges the following inconsistencies in the attached document:

1. On Page 1 of the cover letter, the name of your company reads 'Industrial Nuclear Corp.' It should read 'Industrial Nuclear Company, Inc.'
2. On Page 1 of the cover letter, the address reads 'Oakville, CA.' It should read 'San Leandro, CA.'
3. On Page 1 of Enclosure 1 (NOV), the name of your company reads 'Industrial Nuclear Corp.' It should read 'Industrial Nuclear Company, Inc.'
4. On Page 1 of Enclosure 1 (NOV), the address reads 'Oakville, CA.' It should read 'San Leandro, CA.'
5. On Page 1 of Enclosure 1 (NOV), in the 3<sup>rd</sup> paragraph of Violation A, line 5 reads 'January 13, 2013.' It should read 'January 13, 2012.'

Your response to the NOV is due 30 days from the date of this letter. The NRC will use your response, in part, to evaluate the appropriateness of the enforcement action as well as 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

enclosure, and your response, will be made available electronically for public inspection in the NRC Public Document Room or from the NRCs 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 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 basis 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>.

Sincerely,



Mark Shaffer, Deputy Director  
Office of International Programs

Enclosure: Notice of Violation EA-12-144

cc: (See page 3)

cc:

Defense Threat Reduction Agency (OP-CSNSP)

Attn: Mr. David McDarby

8725 John J. Kingman Road, MSC-6201

Fort Belvoir, VA 22060-6201

Department of Homeland Security

LSS Technical Data Assessment & Teleforensics Center, DHS/CBP

Attn: Christopher Baugues

12825 Worldgate Plaza, Building 3

Herndon, VA 20170

California Department of Public Health

Radiologic Health Branch

Attn: Gonzalo Perez, Chief

1500 Capitol Ave., MS 7610

Sacramento, CA 95814

Canadian Nuclear Safety Commission

Attn: Mr. Larry Chamney

P.O. Box 1046, Station B 280 Slater Street

Ottawa, ON K1P 5S9

CANADA



## NOTICE OF VIOLATION

Industrial Nuclear Corp  
Oakville, CA 94577

License No.: PXB17a.04/PIB22.02  
EA-12-144

As a result of an evaluation conducted on Industrial Nuclear Company, Inc. (INC) export and import notifications from January 1, 2012 through June 30, 2012, and communications with the Nuclear Regulatory Commission (NRC) on and subsequent to February 3, 2012, two violations of NRC requirements were identified. In accordance with the NRC Enforcement Policy, the violations are listed below:

- A. 10 CFR 110.50(c)(1) states, in part, that a licensee authorized to export or import the radioactive material listed in Appendix P to this part is responsible for notifying the NRC.

10 CFR 110.50(c)(4) states, in part, that import notifications must be received by the NRC at least 7 days in advance of each shipment (Note: PIB22.02 was issued April 6, 2009, at which time 10 CFR 110.50(b)(4) specified that import notifications must be received by the NRC at least 7 days in advance of each shipment, to the extent practical, but in no case less than 24 hours in advance of each shipment.).

Contrary to the above, on January 3 and 13, 2012, INC imported quantities of iridium-192 in excess of 10 CFR 110 Appendix P levels under NRC license PIB22.02, but failed to notify the NRC at least 24 hours prior to each import. Specifically notification was made on January 17, 2012 for the January 3, 2012, shipment, and January 13, 2013 for the January 13, 2012 shipment.

This is a Severity Level IV violation.

- B. 10 CFR 110.50(c)(1) states, in part, that a licensee authorized to export or import the radioactive material listed in Appendix P to this part is responsible for notifying NRC and, in cases of exports, the government of the importing country in advance of each shipment.

Contrary to the above, on May 31, 2012, and June 6, 2012, INC exported two sealed sources containing quantities of iridium-192 in excess of 10 CFR 110 Appendix P levels from the United States to Canada and failed to notify the Canadian Nuclear Safety Commission prior to shipment.

This is a Severity Level IV violation.

Pursuant to the provisions of Title 10 of the Code of Federal Regulations (10 CFR) 2.201 INC is hereby required to submit a written statement or explanation to the Deputy Director, Office of International Programs, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, within 30 days of the date of this Notice of Violation. This reply should be clearly marked as a "Reply to a Notice of Violation: EA-12-144" and should include for each violation: (1) the reason

reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, the NRC may issue an Order or a Demand for Information requiring you to explain why your license should not be modified, suspended, or revoked or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

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.

Any response will be made available electronically for public inspection in the NRC Public Document Room or from the NRCs document system (ADAMS), accessible from the NRC Web site at <http://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, may be required to post this Notice within 2 working days.

Dated this 1 day of August 2012