



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

January 10, 2013

EA-12-138

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

SUBJECT: RESPONSE TO NOTICE OF VIOLATION

Dear Mr. Lambert:

Thank you for your letter dated October 16, 2012 (ML12293A234), in response to the Notice of Violation (Notice) dated August 16, 2012 (ML11242A162). The violations involved: 1) a failure to comply with the export limits specified in export license XSNM3649; and 2) a failure to limit the export of special nuclear material (SNM) to Canadian obligated material as required by export license XSNM3704. In your letter, Transportation Logistics International, Inc. (TLI) requested that we consider reducing both violations to non-cited violations and we additionally consider the withdrawal of the second violation in its entirety.

The U.S. Nuclear Regulatory Commission (NRC) has determined that, in accordance with the NRC's Enforcement Policy, the violations were correctly categorized at Severity Level IV, and that the violations were correctly dispositioned as cited violations. Regarding Violation A documented in the Notice, the violation was identified by the NRC during the onsite inspection on May 16, 2012, rather than being self-identified by your company. Since the violation occurred on November 10, 2010, TLI had ample opportunity to identify and report the issue prior to the inspection.

With regard to the second violation, in your letter you indicated that it was your understanding that only Canadian obligated SNM was exported on March 19, 2012, and the details of the violation were erroneous. However, in an email provided by TLI and dated April 9, 2012, and sent from a US Enrichment Corporation (USEC) representative to you, USEC indicated that it did not have enough Canadian obligated material onsite to complete the shipment at the time and therefore used Australian obligated material to make up the difference. This violation was also identified by the NRC during the onsite inspection on May 16, 2012.

The current Enforcement Policy is included on the NRC's Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. Section 2.3.2(b) of the Enforcement Policy lists four criteria that must be met for a violation to be treated as a non-cited violation: (1) the licensee identified the violation, (2) the licensee corrected or committed to correct the violation within a reasonable period of time, (3) the violation is not repetitive as a result of inadequate corrective action, and (4) the violation was not willful. These criteria were developed in part to encourage licensees to identify and correct their own violations. The

M. Lambert

- 2 -

violations cited in our Notice did not meet the first criterion, in that the licensee did not identify them, so the violations were not eligible for being dispositioned as non-cited violations. As such, the violations stand and no changes will be made to the inspection documentation.

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

Sincerely,



Stephen Dembek, Acting Office Director
Office of International Programs

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

cc: (See page 3)