April 4, 2014

DOCUMENT CONTROL DESK
DIVISION OF NUCLEAR MATERIALS SAFETY
U.S. NUCLEAR REGULATORY COMMISSION
WASHINGTON, DC 20555

RE: SECOND REPLY TO A NOTICE OF VIOLATION:
PIM ENGINEERING LABORATORY, INC., COTO LAUREL, PR
LICENSE NUMBER: 52-24908-02
DOCKET NUMBER: 03032940

Nuclear Regulatory Commission (NRC) Document Control Desk:

This letter contains the responses to one (1) Severity Level IV Violation (Violation B) that was identified by the NRC during an inspection to our facilities, records and procedures completed by Mr. Dennis Lawyer on January 28 and 29, 2014. The NRC Inspection Report Number was number 03032940/2014001.

This document further addresses the contents included in a NRC letter dated March 20, 2014, signed by Mr. Blake Welling, where additional information and clarifications are made with regards to our original reply to a Notice of Violation (dated March 10, 2014). This correspondence also includes related evidence of compliance with regards to Violation A (Hazmat Training), which was identified during the NRC inspection.

Violation B. 10 CFR 20.1101 (c): Periodical Review Radiation Protection Program

Reason for Violation

PIM concurs with the NRC assessment with regards to the subject violation. The latter is related to the frequency of the Radiation Protection Program internal audits that were performed from March 2009 to the present. The requirement is to provide with annual audits of the Radiation Safety Program, where some of PIM's audit intervals exceeded this criterion.

It is evident that no effective reviews of audit caducity were performed by PIM. No date reminders and alerts were set on available schedule/calendar software.

JE07

3009 San Cristóbal Avenue
Coto Laurel, Puerto Rico 00780-2808

Tel. (787) 848-2075, Fax (787) 848-1562
Email: jlipim@jlipim.com

Corrective Steps (Immediate and Long Term)

PIM's Radiation Safety Officer (RSE) and related technical/administration immediately conducted an internal review of our Radiation Protection Program. Please refer to the enclosures of this document for a copy of said audit report.

In order to avoid future similar violations, the audit renewal dates will be posted on current scheduling/calendar software (eg. Google Calendar, Apple Inc.'s Calendar) with the corresponding alarms and alerts set to notify with three (3) months in advance. Furthermore, the review of audit caducity will be part of the corresponding Safety and Quality Control Programs.

Resolution Date

This violation will be solved by April 4, 2014.

This concludes our response to the subject Notice of a Violation. Please refer to the enclosures of this document for additional information with regards to evidence of training courses enrollment.

Cordially,

José L. Irizarry-Rosa, MECE, PE
Radiation Safety Officer
PIM Engineering Laboratory, Inc.

Enclosures:

1. Internal Audit of Radiation Safety Program dated April 4, 2014.
2. Evidence of Hazmat Training Certificates

CC: William Dean, Regional Administrator
U.S. NRC Region I
2100 Renaissance Blvd, Suite 100
King of Prussia, PA 19406-2713

April 4, 2014

Eng. José Luis Irizarry Rodríguez, Owner
PIM Engineering Laboratory, Inc.
3009 San Cristóbal Ave.
Coto Laurel, Puerto Rico, 00780-2808

RE: PIM'S RADIATION SAFETY PROGRAM AUDIT REPORT

Dear Engineer Irizarry-Rodríguez:

The following is the audit report on the Nuclear Regulatory Commission (NRC) materials license conditions and Radiation Safety Program for PIM Engineering Laboratory, Inc. (PIM). This audit was based on license 52-24908-02 terms and on Appendix F (Portable Gauge Audit Checklist) of the *Consolidated Guidance About Materials Licenses* (NUREG-1556, Vol. 1, Rev. 1, November 2001).

The audit was completed by or under the supervision of the undersigner on April 4, 2014. Present during this laboratory visit were Mr. Raúl Santiago, Laboratory Supervisor and Ms. Raquel Colón, Senior Laboratory Technician.

The following is a list of observations identified during this visit. It follows the format described in Appendix F of the aforementioned NRC guidance book.

1. Audit History

The last internal audit completed by PIM was reported on April 4, 2013, by the undersigner. This audit was also based on the Checklist for Portable Gauge Audits prepared by the NRC.

Note that 10 Code of Federal Regulation (CFR) 20.1101 requires that a NRC licensee conducts annual reviews of the Radiation Safety Program and its implementation. During a recent NRC inspection, conducted by Mr. Dennis Lawyer on January 28 and 29, 2014, it was identified that PIM did not conduct annual reviews during the calendar years 2010 and 2013. This resulted in a Severity Level IV Violation.

To address this non-conformity, the undersigner:

a. Conducted an internal review of our Radiation Protection Program (subject report).
b. Established that audit renewal dates will be posted on current scheduling/calendar software (eg. Google Calendar, Apple Inc.'s Calendar) with the corresponding alarms and alerts set to notify with three (3) months in advance.

3009 San Cristóbal Avenue
Coto Laurel, Puerto Rico 00780-2808
Tel. (787) 848-2075, Fax (787) 848-1562
Email: jlipim@jlipim.com

c. Established that the review of audit caducity will be part of the corresponding Safety and Quality Control Programs.

2. Organizations and Scope of Program

No changes to the mailing address or bankruptcy applications were performed by PIM at any time. PIM's organization structure remains the same.

PIM's material license refers to Cesium 137 and Americium 241 as the regulated materials. These same components are the ones currently used in PIM operations (Campbell Pacific Nuclear (CPN) MC-1DR and MC-1DRP gauge models). The gauging devices are been used in consistence with the authorized uses as specified in the NRC license.

3. Training and Instructions to Workers

Note that 49 CFR 172.704 requires that a hazmat employee receives initial training and refresher training at least once every three (3) years. During the aforementioned NRC inspection, it was identified that some of PIM technicians did not account with hazmat refresher training. This resulted in a Severity Level IV Violation.

To address this non-conformity, the undersigner:

a. Provided PIM's hazmat employees with the corresponding training as offered by the American Portable Nuclear Gauge Association (APNGA).
b. Established that training renewal dates will be posted on current scheduling/calendar software (eg. Google Calendar, Apple Inc.'s Calendar) with the corresponding alarms and alerts set to notify with three (3) months in advance.
c. Established that the review of training caducity will be part of the corresponding Safety and Quality Control Programs.

At present PIM technicians are qualified for use of the NRC regulated gauging devices. Evidence of their training certificates and refreshers was corroborated by the undersigner.

Random interviews with PIM Technicians demonstrated a good knowledge on emergency procedures, gauge operations, transportation and storage requirements. This was also evidenced by test records of technician evaluations that included observations of gauge operation in a field situation.

4. Radiation Safety Instruments

PIM does not currently account with a survey meter. However, PIM Radiation Safety Consultant, Mr. David Rhoe, completed a survey of storage areas, secretary offices, laboratory areas, etc.. His findings confirmed that PIM operates in compliance with public dose regulations at all of its areas.

5. Gauge Inventory

Gauge inventory was inherent and evidenced, at least every six (6) months as records of calibrations and leak tests are well maintained by PIM.

It is PIM's common practice to store its gauges at the main facilities in Ponce on a daily basis. Therefore, gauges are physically inventoried at the beginning of each day's work, as applicable.

6. Personnel Radiation Protection

The *ALARA* concept was followed, based in our interview with PIM Technicians. The actual definition of each word's letters is part of PIM refresher program.

There was no documentation in record evidencing exposures of less than 10% of limit to unmonitored users. Nevertheless, the circulation and storage of the gauging devices is off limits to non-monitored users. No gauge circulation occurs within administrative area.

External dosimeters are required and provided to all laboratory technicians authorized for nuclear gauge. Landauer provides and services all PIM dosimeters (Luxel). Landauer is a NVLAP accredited supplier. Dosimetry reports are evaluated by the RSO upon arrival, which is in a monthly basis. Reports are posted during a two (2) week period for technician review and right to know. A record file is maintained for these reports.

7. Public Dose

A qualitative assessment of the storage site suggests that proper gauge storing is practiced by PIM where locked areas within their facilities (therefore, off-limits to the general public using secured gates) is provided at all times.

Again, PIM Radiation Safety Consultant, Mr. David Rhoe, completed a survey of storage areas, secretary offices, laboratory areas, etc.. His findings confirmed that PIM operates in compliance with public dose regulations at all of its working areas.

8. Operating and Emergency Procedures

Operating and emergency response procedures were implemented by PIM, as evidenced in its refresher courses. Furthermore, upon inspection of gauges carry-on documentation, emergency response procedures were effectively identified including emergency telephone numbers. No emergencies were informed during the last 12 month period.

9. Leak Tests

Fourteen (14) CPN gauging devices are currently operated by PIM. All were leak tested at approximate six (6) month periods in correspondence with NRC rules and according to license. All results showed that gauges were authorized to remain in use.

10. Maintenance of Gauges

PIM periodically maintains its gauges for routine cleaning and lubrication. Mr. Raúl Santiago performs this operation following the manufacturer procedures and in compliance with the Code of Federal Regulation (CFR) requirements.

11. Transportation

PIM transports its gauges in any of ten (10) official vehicles. These were visually inspected by during this audit. All vehicles account with steel storage cases and key locks which are permanently attached to vehicle chassis at its posterior. The gauges are restrained from movement. All gauges account with the corresponding DOT-7A and Yellow II labels placed at opposite sides. Shipping papers were placed within the drivers reach during transport. No transportation incidents were informed for the past twelve (12) months.

12. Auditor's Independent Survey Measurements (if made)

No radiation measurements were completed during this audit by the undersigner. Again, PIM Radiation Safety Consultant, Mr. David Rhoe, completed a survey of storage areas, secretary offices, laboratory areas, etc.. His findings confirmed that PIM operates in compliance with public dose regulations at all of its working areas.

13. Notification and Report

No incidents regarding radioactive material lost, robbery, and/or overexposure were identified during the past twelve (12) months. Therefore, no reports were made to the NRC.

14. Posting and Labeling

The NRC-3 "Notice to Workers" (version 2012) was posted in the laboratory. The same applies for a copy of the materials license. Other posted reminders included personnel dosimetry reports, technician radiation safety and nuclear gauge use certificates.

15. Record Keeping for Decommissioning

PIM maintains individual records of each nuclear gauge it owns. PIM acknowledges that all regulated equipment can only be disposed by a properly licensed organization.

16. Bulletins and Information Notices

NRC bulletins, information notices and newsletters are regularly received and reviewed by the RSO for the corresponding action, as applicable.

17. Special License Conditions or Issues

The NRC submitted a new license amendment 07 dated on January 13, 2013. The new expiration date is March 31, 2023.

18. Deficiencies Identified in Audit; Corrective Action

Other than the hazmat training refreshers and internal audit frequencies, no additional deficiencies were noted in PIM operations and nuclear gauge use during this audit. Corrective actions were established as afore-described in this document.

19. Evaluation of Other Factors

PIM management is committed and involved in the radiation protection program and RSO oversight. The undersigner recognizes that sufficient staff and time is provided by PIM to comply with NRC regulations.

This concludes the report of this internal material license conditions audit. If questions, please feel free in contact the undersigner as convenient.

Cordially,

José L. Irizarry-Rosa, MECE, PE
Radiation Safety Officer
PIM Engineering Laboratory, Inc.

APNGA

HAZMAT Refresher Training for Portable Nuclear Gauges

Certificate of Completion to:

Omar Santiago

Training must be renewed within three years from today's date:

Monday, March 31, 2014

This course satisfies the training requirments of 49 CFR 172, Subpart H, Including:

- General Awareness/Familiarization
- Function Specific Training
- Safety Training
- Security Awareness
- Driver Training
- IATA Requirements

The organization RSO/Official must certify that the employee has been properly trained and tested per the requirements of 49 CFR 172, Subpart H. The acknowledgment and signature of the RSO/Official makes the training and certificate relevant and valid.

PIM Engineering Lab., Inc. — Company Name

Jose Luis Izzarraga Rosa — Company RSO / Official (print)

Signature of RSO / Official

American Portable Nuclear Gauge Association (APNGA)
www.apnga.com

George E. Marshall
APNGA Director

APNGA

HAZMAT Refresher Training for Portable Nuclear Gauges

Certificate of Completion to:

Raul Santiago

Training must be renewed within three years from today's date:

Monday, March 31, 2014

This course satisfies the training requirments of 49 CFR 172, Subpart H, Including:

- General Awareness/Familiarization
- Function Specific Training
- Safety Training
- Security Awareness
- Driver Training
- IATA Requirements

The organization RSO/Official must certify that the employee has been properly trained and tested per the requirements of 49 CFR 172, Subpart H. The acknowledgment and signature of the RSO/Official makes the training and certificate relevant and valid.

PIM Engineering Lab., Inc. — Company Name

Jose Luis Irizarry Rosa — Company RSO / Official (print)

Signature of RSO / Official

George E. Marshall
APNGA Director

American Portable Nuclear Gauge Association (APNGA)
www.apnga.com

APNGA

HAZMAT Refresher Training for Portable Nuclear Gauges

Certificate of Completion to:

Carlos Rivera

Training must be renewed within three years from today's date:

Monday, March 31, 2014

This course satisfies the training requirments of 49 CFR 172, Subpart H, Including:

- General Awareness/Familiarization
- Function Specific Training
- Safety Training
- Security Awareness
- Driver Training
- IATA Requirements

The organization RSO/Official must certify that the employee has been properly trained and tested per the requirements of 49 CFR 172, Subpart H. The acknowledgment and signature of the RSO/Official makes the training and certificate relevant and valid.

PIM Engineering Lab., Inc.
Company Name

José Luis Irizarry Rosa
Company RSO / Official (print)

Signature of RSO / Official

American Portable Nuclear Gauge Association (APNGA)
www.apnga.com

George E. Marshall
APNGA Director

APNGA

HAZMAT Refresher Training for Portable Nuclear Gauges

Certificate of Completion to:

Alex Martinez

Training must be renewed within three years from today's date:

Thursday, April 03, 2014

This course satisfies the training requirments of 49 CFR 172, Subpart H, Including:

- General Awareness/Familiarization
- Function Specific Training
- Safety Training
- Security Awareness
- Driver Training
- IATA Requirements

The organization RSO/Official must certify that the employee has been properly trained and tested per the requirements of 49 CFR 172, Subpart H. The acknowledgment and signature of the RSO/Official makes the training and certificate relevant and valid.

PIM Engineering Lab., Inc.
Company Name

Jose Luis Irizarry Rosa
Company RSO / Official (print)

Signature of RSO / Official

American Portable Nuclear Gauge Association (APNGA)
www.apnga.com

George E. Marshall
APNGA Director

APNGA

HAZMAT Refresher Training for Portable Nuclear Gauges

Certificate of Completion to:

Roberto Dominicci

Training must be renewed within three years from today's date:

Thursday, April 03, 2014

This course satisfies the training requirments of 49 CFR 172, Subpart H, Including:

- General Awareness/Familiarization
- Function Specific Training
- Safety Training
- Security Awareness
- Driver Training
- IATA Requirements

The organization RSO/Official must certify that the employee has been properly trained and tested per the requirements of 49 CFR 172, Subpart H. The acknowledgment and signature of the RSO/Official makes the training and certificate relevant and valid.

FIM Engineering Lab., Inc. — Company Name

Jose Luis Irizarry Rosa — Company RSO / Official (print)

Signature of RSO / Official

American Portable Nuclear Gauge Association (APNGA)
www.apnga.com

George E. Marshall
APNGA Director