The only ISO 9000 accredited testing laboratory in Iowa, Illinois & South Dakota

TEAM Services
Geotechnical and Construction Material Consultants
A2LA Testing Lab Certificate 576.01 (Des Moines)
Validated by the U.S. Army Corps of Engineers

December 01, 2015

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

cc: U.S. Nuclear Regulatory Commission
Region IV
1600 E. Lamar Blvd.
Arlington, TX 76011-4511

Docket No. 030-37929
License No. 14-29336-01

Reply to a Notice of Violation; EA-15-154

Notice dated November 19, 2015, received November 30, 2015

Location, Date of Inspection: 309 E. 12th St., Sioux Falls, SD 57104, June 18, 2015.

Violation: Title 10 CFR 30.34(i)

Violation explanation from Notice Letter:

"Based on the results of this inspection, the NRC has determined that one Severity Level IV violation of NRC requirements was identified. The violation was evaluated in accordance with the NRC Enforcement Policy, which is found at the NRC's Web site at http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html. The violation concerned the failure to use two independent physical controls that formed tangible barriers to secure a portable gauge from unauthorized removal while not under control and constant surveillance as required by Title 10 of the Code of Federal Regulations (CFR) section 30.34(i). Specifically, the inspectors observed a portable gauge in a locked shipping container secured to the bed of a licensee pickup truck with a looped length of chain. The chain's arrangement around the shipping container was such that it provided only one tangible barrier. The gauge was not under direct control and surveillance by the licensee. The violation is being cited with the enclosed Notice of Violation (Notice) because it was identified by the NRC during the inspection.

In accordance with the Enforcement Policy, such violations are normally categorized at Severity Level III and considered for escalated enforcement action. However, the NRC is exercising enforcement discretion to categorize the violation at Severity Level IV based on the following: (1) one physical control existed to prevent loss or theft of the portable gauge; (2) no actual loss of the licensed material; (3) the violation was isolated; and (4) there was no indication of programmatic weakness was identified."

717 S.E. 6th St, Des Moines, IA 50309 (515)282-8818 fax: (515)282-8741 www.teamservices.com staff@teamservices.com
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Response Root Cause:

Violation occurred by a user that was recently re-hired after an approximate two year absence. During his absence, TEAM Services had reinforced the "2-barrier" rule several times with all users for securing portable nuclear density gauges and their cases. Refer to the attached memorandum that was used as part of the re-education/reinforcement process. From the time the user was re-hired to the time of this inspection (approximately 5.5 months), review of the memorandum or 2-barrier procedures did not occur with the re-hire.

Response Corrective Action:

On November 24, 2015, the RSO issued a preliminary memorandum to all users describing the events of this violation and including the "Transport of Nuclear Gauges" internal procedure form. The RSO will be visiting all TEAM Services locations in the immediate future for our scheduled internal Radiation Safety audits, with additional focus on compliance with the 2-barrier rules.

We also understand there will be upcoming close monitor by both the NRC and the Iowa Department of Public Health regarding compliance with the safe and compliant transport of gauges.

Summary

Refer to the attached internal memorandum and Transport procedures as exhibit. Please contact myself or our RSO, Cory Denham, if you have any questions or need further information to this response.

Jeffrey J. Roberts
Owner, President

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November 24, 2015

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Portable Nuclear Density Locking Regulations

On June 8, 2015, the NRC performed an inspection at our Sioux Falls, SD office. We had a security violation, a user did not have the "2-barrier" locking for his gauge case.

On a phone exit interview with the NRC on October 28, 2015, they stated initially the violation was a Level 3 which is a $3500 fine, but since it was corrected on site, and it was apparent the violation was "not programmatic", they reduced it to a Level 4, which is a warning.

On November 24, 2015 we received a call from the Iowa Department of Health indicating they had been notified of the violation by the NRC. Since the IDPH has had the same 2-barrier locking issues with TEAM Services the past couple of years, they put us on notice they will increase scrutiny of our activities, specifically if we are locking our gauges to provide a "2-barrier" lockout system (2 locks must be broken to remove the case OR the gauge).

Attached is our lockout procedure which has been distributed many times recently. Please follow the regulation religiously, as we are on a "zero strike out" status with both the NRC and the IDPH. The RSO will be making periodic visits to all locations in the future, and the locking of cases will be a focus.

Cory Denham
RSO

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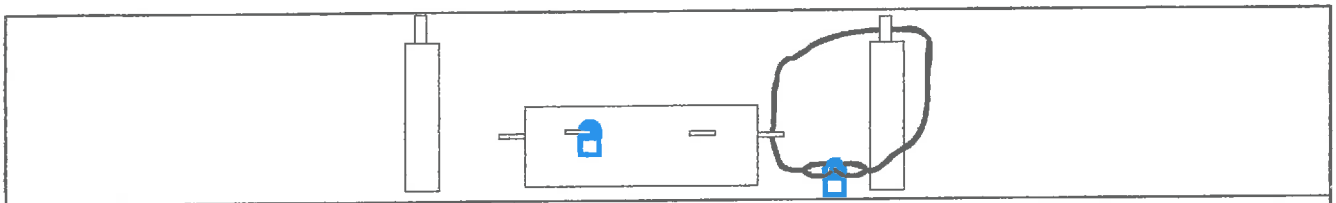
Transport of Nuclear Gages

Change in regulations effective May 4, 2005

CFR 641—40.55(136C) Security and control of licensed or registered sources of radiation.

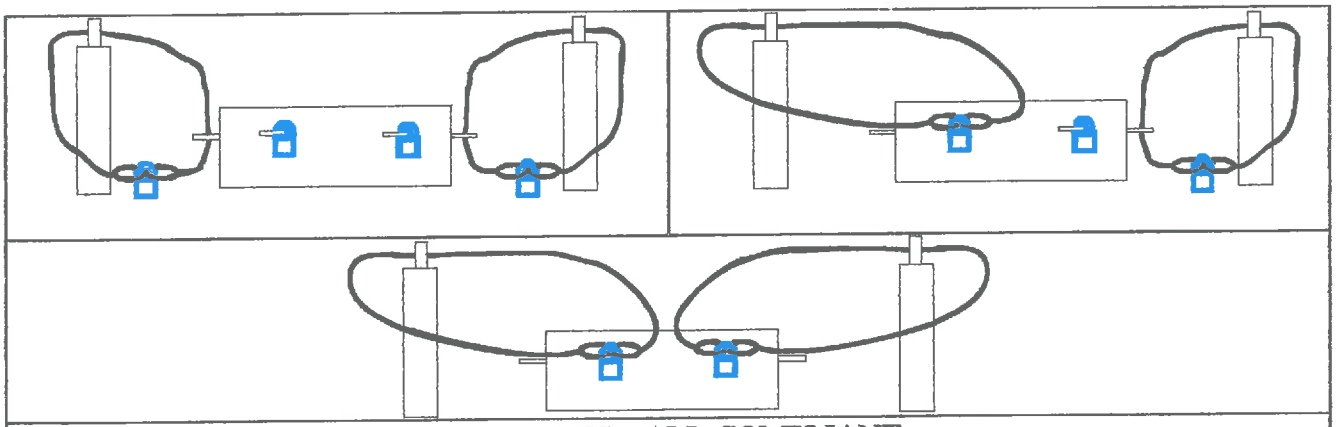
Part 5. Security requirements for portable gauges. Each portable gauge licensee shall use a minimum of two independent physical controls that form tangible barriers to secure portable gauges from unauthorized removal, whenever portable gauges are not under the control and constant surveillance of the licensee.

In other words, when in the back of a vehicle, a potential thief has to cut (2) two locks/cords to remove either the gage or case.



OLD WAY – NOT ACCEPTABLE

Thief could cut the lock on the case and remove the gage, or could cut the cord or cord lock and remove the entire case with the gage.



NEW WAYS – ALL COMPLIANT

Thief would have to cut two places, cord or lock, to remove either the gage or the case.

Therefore, each gage is going to need at least one additional cord and, depending on which of the three compliant means above you select, possibly one additional lock.

Remember the case has to be braced from movement in addition to "double" locked. I have the "keyed alike" padlocks on order and will provide everyone with additional locks when I get them. The "bicycle" cords made from cable are available at many stores.

Jeff Roberts
RSO