



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION IV
1600 E. LAMAR BLVD.
ARLINGTON, TX 76011-4511

March 2, 2016

Ms. M. Janetta Hedman
Radiation Safety Officer
South Dakota Department of Transportation
700 East Broadway Avenue
Pierre, SD 57501-2586

SUBJECT: NRC INSPECTION REPORT 030-06371/2016-001 AND NOTICE OF VIOLATION

Dear Ms. Hedman:

This letter refers to the routine, announced inspection conducted on January 25, 2016 at your main office and maintenance area in Pierre, South Dakota and on January 29, 2016 at your field office in Mitchell, South Dakota. The inspection was an examination of activities conducted under your license as they relate to public health and safety, to confirm compliance with the Nuclear Regulatory Commission's (NRC) rules, regulations, and with the conditions of your license. Within these areas, the inspection consisted of a selected examination of procedures and representative records, observations of activities, independent radiation measurements, and interviews with personnel. On January 25, 2016, at the conclusion of the onsite portion of the inspection at the Pierre facilities, the inspectors discussed the preliminary inspection findings with you. The preliminary inspection findings were also discussed telephonically with you on January 26, 2016. A final exit briefing was conducted telephonically with you and Mr. Scott Raybern on March 1, 2016.

Based on the results of this inspection, the NRC has determined that one Severity Level IV violation of NRC requirements occurred. The violation was evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Web site at http://www.nrc.gov/about_nrc/regulatory/enforcement/enforce_pol.html. The violation involved the performance of non-routine maintenance of portable gauges. The violation is being cited in the enclosed Notice of Violation (Notice) because the NRC identified the violation during the inspection.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The guidance in NRC Information Notice 96-28, "Suggested Guidance Relating to Development and Implementation of Corrective Action," may be helpful. You can find the Information Notice on the NRC website at: <http://pbadupws.nrc.gov/docs/ML0612/ML061240509.pdf>. The NRC review of your response to the Notice will also determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

J. Hedman

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In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," 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 NRC's Agencywide Documents Access and Management System (ADAMS), 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 or proprietary information so that it can be made available to the Public without redaction.

Should you have any questions regarding this letter or the enclosed Notice, please contact Janine F. Katanic, PhD, CHP, at 817-200-1151.

Sincerely,

/RA/

Brooke G. Smith, Acting Chief
Nuclear Materials Safety Branch A
Division of Nuclear Materials Safety

Docket No: 030-06371
License No: 40-08669-04

Enclosure:
Notice of Violation (Notice)

cc: State of South Dakota, Radiation Control Program Director

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Brooke G. Smith, Acting Chief
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Division of Nuclear Materials Safety

Docket No: 030-06371
License No: 40-08669-04

Enclosure:
Notice of Violation (Notice)

cc: State of South Dakota, Radiation Control Program Director

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NOTICE OF VIOLATION

South Dakota Department of Transportation
Pierre, South Dakota

Docket No. 030-06371
License No. 40-08669-04

During an NRC inspection conducted on January 25 and 29, 2016, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

License Condition 18 of NRC License 40-08669-04, Amendment No. 24, authorizes the licensee to detach the source or source rod from gauges for the purpose of cleaning, maintenance, or repair of the gauges in accordance with procedures outlined in the email received August 21, 2013.

In Item 10, "Radiation Safety Program- Maintenance" of the email received August 21, 2013, under the sub-section "Non-Routine maintenance," the licensee did not provide procedures to perform non-routine maintenance in-house but instead committed to "send the gauge to the manufacturer or other person authorized by the NRC or an Agreement State to perform non-routine maintenance or repair operations that require the removal of the source or source rod from the gauge."

Contrary to the above, from September 19, 2013 to January 25, 2016, the licensee failed to send gauges to the manufacturer or other person authorized by the NRC or an Agreement State to perform non-routine maintenance or repair operations that required the removal of the source or source rod from the gauge. Specifically, the licensee conducted non-routine maintenance on their inventory of portable gauges annually, which included removal of the source rods from gauges.

This is a Severity Level IV violation (Section 6.3.d).

Pursuant to the provisions of 10 CFR 2.201, South Dakota Department of Transportation is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001, with a copy to the Regional Administrator, Region IV, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include: (1) the reason for the violation, or, if contested, the basis for disputing the violation or severity level; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken; and (4) the date when full compliance will be achieved. Your response may 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, an order or a Demand for Information may be issued requiring information as to why the 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, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

Enclosure

Your response will be made available electronically for public inspection in the NRC Public Document Room or in the NRC's Agencywide Documents Access and Management System (ADAMS), 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 or proprietary information so that it can be made available to the public without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then 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 material, 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).

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days of receipt.

Dated this 2nd day of March 2016