

June 10, 2016

EA-16-079

Ms. Kelley Richardt
Regulatory and Quality Manager
Source Production and Equipment
Company, Inc.
113 Teal Street
St. Rose, Louisiana 70087

SUBJECT: FAILURE TO PROPERLY NOTIFY U.S. NUCLEAR REGULATORY COMMISSION
IN ADVANCE OF IMPORT SHIPMENT AND NOTICE OF VIOLATION

Dear Ms. Richardt:

This letter refers to a review of a Source Production and Equipment Company, Inc. (SPEC) import of a Category 1 quantity of iridium-192 (Ir-192) from the Netherlands. Title 10 of the *Code of Federal Regulations* (10 CFR) Section 110.50(c) states, in part, that a licensee authorized to export or import radioactive material listed in Appendix P to 10 CFR Part 110 is responsible for notifying the Nuclear Regulatory Commission (NRC) in advance of each shipment. In accordance with 10 CFR 110.50(c)(4), import notifications must be received by the NRC at least 7 days in advance of each shipment. A telephonic exit briefing was conducted with you on March 9, 2016.

On February 12, 2016, NRC's Office of International Programs staff received a telephone call from U.S. Customs and Border Protection (CBP) for assistance in identifying the corresponding advanced notification of shipment for a detained shipment destined for SPEC, containing 370 terabecquerels (TBq) of Ir-192 from NRG-Petten, Netherlands. CBP could not locate the import's corresponding advanced notification. On February 18, 2016, and after communications with NRC staff, SPEC notified the NRC that they were unable to locate any record indicating that the advance notification had been sent to the NRC, and confirmed that SPEC failed to submit an advanced notification for this shipment.

Based on the information developed during the review of this activity, the NRC determined that a Severity Level IV violation of NRC requirements occurred. The violation involved a failure to submit an advanced notification of shipment at least 7 days prior to shipment as required by 10 CFR 110.50(c). The violation was evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is available on the NRC Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The violation is cited in the enclosed Notice of Violation (Notice) because all of the criteria in Section 2.3.2 of the NRC Enforcement Policy were not met in that SPEC did not identify the violation. The failure to provide the advanced notification to NRC is significant because it inhibits the process of regulatory oversight of radioactive material entering the United States.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. If you have additional information that you believe the NRC should consider, you may provide it in your response. The NRC will use your

K. Richardt

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response, in part, to determine whether or not 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 enclosures and your response will be made available electronically for public inspection in the Public Document Room or from the NRC's document system Agencywide Documents Access and Management System accessible from the NRC Website 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, 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 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).

Please contact Andrea R. Jones at (301) 415-2309 if you have any questions regarding this matter.

Sincerely,

/RA/

David L. Skeen, Deputy Director
Office of International Programs

Enclosure:
Notice of Violation

cc: State of Louisiana

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Please contact Andrea R. Jones at (301) 415-2309 if you have any questions regarding this matter.

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/RA/

David L. Skeen, Deputy Director
Office of International Programs

Enclosure:
Notice of Violation

cc: State of Louisiana

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NOTICE OF VIOLATION

Source Production and Equipment Co.
St. Rose, LA

EA-16-079

During a U.S. Nuclear Regulatory Commission (NRC) review completed on February 18, 2016, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

10 CFR 110.50(c) requires, in part, that a licensee authorized to import the radioactive material listed in Appendix P to 10 CFR Part 110 is responsible for notifying the NRC in advance of each shipment. In accordance with 10 CFR 110.50(c)(4), import notifications must be received by the NRC at least 7 days in advance of each shipment.

Contrary to the above, on or before February 11, 2016, Source Production and Equipment Co. (SPEC) failed to notify the NRC in advance of an import shipment as required by NRC regulations. Specifically, SPEC failed to submit an import notification prior to shipment of 370 TBq of iridium-192 (Ir-192) at least 7 days in advance of the shipment. Ir-192 is listed in Appendix P to 10 CFR Part 110.

This is a Severity Level IV violation (NRC Enforcement Policy, Section 6.15)

Pursuant to the provisions of 10 CFR 2.201, SPEC is hereby required to submit a written statement or explanation to the 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-16-079)" and should include for each violation: (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) any additional corrective steps that will be taken; and (4) the date when full compliance will be or was 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, 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.

Enclosure

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS) accessible from the NRC Website 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.

In accordance with 10 CFR 19.11, you may be required to post this Notice within 2 working days of receipt.

Dated this 10th day of June 2016.

cc:

Bryan Riche` , Division Administrator
Assessment Division - Radiation Section
Office of Environmental Compliance
P.O. Box 4312
Baton Rouge, LA 70821-4312