



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
1600 E. LAMAR BLVD
ARLINGTON TX 76011-4511

July 8, 2016

Mr. John P. Jobe
President
Materials Integrity, Inc.
P.O. Box 221051
Anchorage, AK 99522-1051

SUBJECT: NRC INSPECTION REPORT 030-35951/2016-001 AND NOTICE OF VIOLATION

Dear Mr. Jobe:

This letter refers to the routine, announced inspection conducted on June 22, 2016, at your facility in Fairbanks, Alaska. The inspection was an examination of activities conducted under your license as they relate to public health and safety, to confirm compliance with the U.S. 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 facilities, independent radiation measurements, and an interview with you. The preliminary inspection findings were discussed with you at the conclusion of the onsite portion of the inspection. A final telephonic exit briefing was conducted with you on July 5, 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, which can be found at the NRC's Web site at www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html. The violation is cited and described in the enclosed Notice of Violation (Notice). The violation involved the failure to prepare shipping papers prior to transporting Class 7 (radioactive) materials on public roads and highways. The violation is being cited in the enclosed Notice because it was identified by the NRC 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 in preparing your response. You can find the Information Notice on the NRC website at: <http://pbadupws.nrc.gov/docs/ML0612/ML061240509.pdf>. Information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence, and the date when full compliance will be (was) achieved should be addressed. The NRC review of your response to the Notice will also determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

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 or the undersigned at 817-200-1191.

Sincerely,

/RA/

Ray L. Kellar, P.E., Chief
Nuclear Materials Safety Branch A
Division of Nuclear Materials Safety

Docket: 030-35951
License: 50-27722-01

Enclosure:
Notice of Violation

cc w/ enclosure:
Clyde E. Pearce, Chief
Radiological Health Program
Section of Laboratories
State of Alaska/DH&SS
5455 Dr. Martin Luther King, Jr., Ave.
Anchorage, AK 99507-1270

J. Jobe

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Clyde E. Pearce, Chief
Radiological Health Program
Section of Laboratories
State of Alaska/DH&SS
5455 Dr. Martin Luther King, Jr., Ave.
Anchorage, AK 99507-1270

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Cover Letter (w/ Enclosure) X SUNSI Review by: JEV		ADAMS X Yes <input type="checkbox"/> No	X Publicly Available <input type="checkbox"/> Non-Publicly Available	X Non-Sensitive <input type="checkbox"/> Sensitive	Keyword: N/A
OFFICE	RIV:NMSB-A	RIV:NMSB-A	RIV:C:NMSB-A		
NAME	JEvonEhr	JFKatanic	RLKellar		
SIGNATURE	/RA/	/RA/	/RA/		
DATE	07/07/16	07/07/16	07/08/16		

OFFICIAL RECORD COPY

NOTICE OF VIOLATION

Materials Integrity, Inc.
Anchorage, Alaska

Docket No. 030-35951
License No. 50-27722-01

During an NRC inspection conducted on June 22, 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 50-27722-01, Amendment No. 06, states that the licensee is authorized to transport licensed material in accordance with the provisions of 10 CFR Part 71, "Packaging and Transportation of Radioactive Material."

10 CFR 71.5(a), requires, in part, that each licensee who transports licensed material outside of the site of usage, as specified in the NRC license, or where transport is on public highways, shall comply with the applicable requirements of the US Department of Transportation regulations in 49 CFR Parts 107, 171 through 180, and 390 through 397, appropriate to the mode of transport.

49 CFR 177.817(a) requires, in part, that a person may not transport a hazardous material by highway unless that person has received a shipping paper prepared in accordance with 49 CFR Part 172.

Contrary to the above, between July 27, 2015 and December 21, 2015, the licensee transported hazardous material by highway and failed to receive a shipping paper prepared in accordance with 49 CFR Part 172. Specifically, the licensee transported Class 7 (radioactive) hazardous materials by public roads and highways on seven occasions between July 27, 2015 and December 21, 2015 and did not have shipping papers prepared in accordance with 49 CFR Part 172.

This is a Severity Level IV Violation (Section 6.8.d)

Pursuant to the provisions of 10 CFR 2.201, Materials Integrity, Inc. 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 8th day of July 2016