

August 3, 2017

EA-17-021

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

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

Dear Ms. Richardt:

This letter refers to your e-mail dated May 26, 2017, regarding Source Production and Equipment Company, Inc. (SPEC) reporting of import of a Category 2 quantity of iridium-192 (Ir-192) from Chile. 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 U.S. 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 June 1, 2017.

Based on the information provided, the NRC determined that a Severity Level IV violation of NRC requirements occurred. Specifically, on May 26, 2017, SPEC submitted an import notification notifying the NRC of its import of Category 2 quantity of Ir-192 that departed from Chile on May 25, 2017, one day earlier than the Advanced Notification was submitted. SPEC stated in the notification that they were unable to make the notification 7 days in advance because they were notified of the shipment by its customer in Chile after the shipment has commenced. Thus, the import notification provided by SPEC was not submitted at least 7 days in advance of the shipment as required by 10 CFR 110.50(c). SPEC's failure to provide timely and accurate information did not allow the NRC sufficient time to perform its review, which could have had significant implications for public health and safety or common defense and security.

In an e-mail dated May 31, 2017, SPEC attributed the cause of the failure to provide the reports in a timely manner to its customer/distributor's misunderstanding SPEC's directions, and passed on the misinformation to its customer who shipped the Ir-192 directly to SPEC. Once the oversight was discovered, the late Advanced Notification and self-disclosure of the oversight was submitted to the NRC. To prevent a reoccurrence of the oversight, SPEC explained the entire situation to its customer via e-mail and phone calls, and the customer is now clear on the requirements and in turn, educated the shipper, Serviam on the requirements.

This violation was evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is available on the NRC's Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The violation is being treated as a Non-Cited Violation (NCV) because all the criteria in Section 2.3.2 of the NRC's Enforcement Policy are met: (1) you identified the violation, (2) you initiated prompt and comprehensive corrective actions to prevent recurrence as documented in your email dated May 31, 2017, (3) the violation was not repetitive as a result of inadequate corrective actions, and (4) the violation was not willful.

If you contest the violation or significance of this NCV, you should provide a response within 30 days of the date of this report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001, with copies to the Deputy Director, Office of International Programs, and Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter, its enclosure(s), and your response if you choose to provide one, will be made available electronically for public inspection in the NRC 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.

Please contact Peter Habighorst at (301) 287-9241 if you have any questions regarding this matter.

Sincerely,

*/RA/*

Peter J. Habighorst, Chief  
Export Controls Nonproliferation Branch  
Office of International Programs

cc: B. Richie

K. Richardt

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COMMISSION IN ADVANCE OF IMPORT SHIPMENT DATED AUGUST 3, 2017

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OE Case File EA-17-021

OE Day File

**ADAMS Accession No: ML17180A067**

<b>OFFICE</b>	OIP/ECNP	OIP/ECNP	OE	BC:OIP/ECNP
<b>NAME</b>	JChimood	AJones	RFretz	PHabighorst
<b>DATE</b>	7/12/16	7/13/16	8/03/16	8/03/16

**OFFICIAL RECORD COPY**

cc. Bryan Riche, Division Administrator  
Assessment Division – Radiation Section  
Office of Environmental Compliance  
P.O. Box 4312  
Baton Rouge, LA 70821-4312  
Bryan.Riche@la.gov