

September 26, 2017

EA-17-139

Mr. Charles Bollinger
Industrial Nuclear Company, Inc.
300 Highway 146N
La Porte, TX 77571

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

Dear Mr. Bollinger:

This letter refers to a review of an Industrial Nuclear Co., Inc. (INC) import of a Category 1 quantity of iridium-192 (Ir-192) from Canada. Title 10 of the *Code of Federal Regulations* (10 CFR) Section 110.50© 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©(4), import notifications must be received by the NRC at least seven days in advance of each shipment. The results of this review were discussed with a member of your staff, Emmanuel Garcia on July 20, 2017, by a member of my staff, Jane Chimood.

Based on the information provided, the NRC has determined that a Severity Level IV violation of NRC requirements occurred. Specifically, on June 30, 2017, INC submitted a Shipping Notification, with reference number NRU17-06-TX, NRC Agencywide Documents Access and Management System (ADAMS) Accession No. ML17220A270, to notify the NRC of its import of a Category 1 quantity of Ir-192 from Nordion, Inc. (Canada) on the same day, June 30, 2017. The NRC was unable to identify an advanced notification for this shipment being submitted at least seven days prior to the shipping date of June 30, 2017. Based on the information exchanged with INC during our review of this activity, the NRC determined that INC failed to submit an advanced notification at least seven days in advance of the shipment, as required by 10 CFR 110.50©. INC's failure to provide timely 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 a response e-mail dated July 6, 2017, ADAMS Accession No. ML17220A271, INC stated that they had located a copy of the advanced notification, dated February 2, 2017, ADAMS Accession No. ML17220A299, for the shipment, but were unable to prove that it was ever submitted to the NRC prior to the shipping day of June 30, 2017. In the e-mail, INC provided a root cause analysis and determined that the cause of not having the advanced notification submitted in a timely manner was allowing the required notification process performed by a single individual. To prevent a reoccurrence, INC implemented a corrective action effective July 6, 2017. All advance notifications will be emailed from an employee e-mail account and copied to INC Quality Assurance manager. A printout of the sent e-mail will be attached to the notification in the INC file to ensure more than one person within INC is aware of their responsibilities to provide the advanced notification. Given that INC had prepared and intended to submit the required advanced notification well in advance of

the shipping day and immediately entered the issue within its corrective action program, the NRC does not expect a response to this Notice of Violation. If you have additional information that you believe the NRC should consider, you may provide a response.

In accordance with 10 CFR 2.390, a copy of this letter, its enclosures, and your response, if you desire, will be made available electronically for public inspection in the Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Website at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, if you respond it 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 Ms. Chimood at (301) 287-9225 if you have any questions regarding this matter.

Sincerely,

/RA/

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

Enclosure:
Notice of Violation

cc: C. Sullivan

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ADAMS Accession Number: ML17213A057

OFFICE	ECNP/OIP	ECNP/OIP	OE	BC:ECNP/OIP
NAME	JChimood	AJones	RFretz	PHabighorst
DATE	08/08/17	08/08/17	09/20/17	09/26/17

OFFICIAL RECORD COPY

NOTICE OF VIOLATION

Industrial Nuclear Company, Inc.
La Porte, TX 77571

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During a U.S. Nuclear Regulatory Commission (NRC) review completed on July 20, 2017, violations of NRC requirements were identified. In accordance with the NRC Enforcement Policy, the violations are listed below:

10 CFR 110.50(c)(4) 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 seven days in advance of each shipment.

Contrary to the above, on or before June 30, 2017, Industrial Nuclear Company, Inc. (INC) failed to notify the NRC in advance of an import shipment as required by NRC regulations. Specifically, INC failed to submit an import notification prior to shipment of Category 1 quantity of Iridium-192 (Ir-192) at least seven 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).

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the U.S. 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, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001.

In accordance with 10 CFR 2.390, if you desire a response it 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 26th day of September 2017.

Charlotte Sullivan, M.S.A., B.S.N., Manager
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