



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

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

November 9, 2017

Mr. Stuart Blanco
Chief Financial Officer
Tidewater Contractors, Inc.
P.O. Box 1956
Brookings, OR 97415

SUBJECT: NRC INSPECTION REPORT 150-00036/2017-001 AND NOTICE OF VIOLATION

Dear Mr. Blanco:

This letter refers to the inspection conducted on September 20, 2017, regarding your activities in Crater Lake National Park, Oregon. The purpose of the inspection was to examine activities conducted under your U.S. Nuclear Regulatory Commission (NRC) general license, which was granted under Title 10 of the *Code of Federal Regulations* (CFR) 150.20, "Recognition of Agreement State licenses," to ensure that activities were being performed in accordance with NRC rules and requirements and in a manner that ensured protection of public health and safety. Within these areas, the inspection consisted of an examination of selected procedures and representative records, observations of activities, and interviews with personnel. Tidewater Contractors, Inc. was granted a general license, as noted above, to conduct the same activities authorized under its State of Oregon license in areas of exclusive Federal jurisdiction during Calendar Year 2016 and 2017 for a period not to exceed 180 days. The preliminary inspection findings were discussed with you at the conclusion of the onsite portion of the inspection on September 20, 2017. A final telephonic exit briefing was conducted with you and Mr. Kyle Spratt, Radiation Safety Officer on November 2, 2017.

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 <http://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 receive a specific or general license issued in accordance with the regulations in 10 CFR Chapter I prior to the possession and use of byproduct material. Specifically, Tidewater Contractors, Inc. possessed and used byproduct material on at least two occasions in 2015, prior to the June 2016 and June 2017 receipt of general licenses issued under 10 CFR 150.20.

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.

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).

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>.

Should you have any questions regarding this letter or the enclosed Notice, please contact Jason vonEhr at 817-200-1186, or the undersigned at 817-200-1455.

Sincerely,

/RA/

Michael C. Hay, Chief
Materials Licensing and Inspection Branch
Division of Nuclear Materials Safety

Docket: 150-00036
License: 10 CFR 150.20

Enclosure:
Notice of Violation (Notice)

cc: David M. Howe, State of Oregon

NRC INSPECTION REPORT 150-00036/2017-001 – DATED NOVEMBER 9, 2017.

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NRC-002

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NOTICE OF VIOLATION

Tidewater Contractors, Inc.
Brookings, Oregon

Docket No. 150-00036
License No. 10 CFR 150.20

During an NRC inspection conducted on September 20, 2017, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

10 CFR 30.3(a) requires, in part, that no person shall transfer, receive, acquire, own, possess, or use byproduct material except as authorized in a specific or general license issued in accordance with the regulations in 10 CFR Chapter I.

Contrary to the above, on September 24 and 29, 2015, Tidewater Contractors possessed and used byproduct material and these activities were not authorized in a specific or general license issued in accordance with the regulations in 10 CFR Chapter I. Specifically, on September 24 and 29, 2015, Tidewater Contractors, Inc. possessed and used a nuclear density gauge containing 9 millicuries of cesium-137 and 44 millicuries of americium-241, an amount which required an NRC license, inside of Crater Lake National Park, Oregon, an area of exclusive Federal jurisdiction, and these activities were not authorized at that time in a specific or general license issued in accordance with the regulations in 10 CFR Chapter I.

This is a Severity Level IV violation (Section 6.9.d.14).

Pursuant to the provisions of 10 CFR 2.201, Tidewater Contractors, 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, 1600 E. Lamar Blvd., Arlington, Texas 76011, 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.

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

Enclosure

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 November 9, 2017