



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
1600 EAST LAMAR BOULEVARD
ARLINGTON, TEXAS 76011-4511

August 23, 2019

Mr. Erik Ringsak
Madison Engineering, LLC
895 Technology Boulevard
Suite 203
Bozeman, Montana 59718

SUBJECT: NRC ROUTINE INSPECTION REPORT 030-38858/2019-001 AND NOTICE OF VIOLATION

Dear Mr. Ringsak:

This letter refers to the routine, unannounced inspection conducted on June 12, 2019, at your facility in Bozeman, Montana, with an in-office review until August 23, 2019. 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's) 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 licensed activities, and interviews with personnel. On June 12, 2019, at the conclusion of the onsite portion of the inspection, the inspector discussed the preliminary inspection findings with you. A final exit briefing was conducted with you telephonically on August 23, 2019.

Based on the results of this inspection, the NRC has determined that two Severity Level IV violations of NRC requirements had occurred. The violations were evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The violations involved the failure to: (1) perform contamination leak tests every six months and (2) ensure hazmat employees receive recurrent hazmat training at least every 3 years in accordance with the requirements in Title 49 of the *Code of Federal Regulations* (CFR) Part 172, Subpart H. These violations are being cited in the enclosed Notice of Violation (Notice) because either the NRC identified the violation during our inspection or the violation is repetitive.

Based on the results of this inspection, the NRC has also determined that one additional Severity Level IV violation of NRC requirements occurred. Because Madison Engineering, LLC, identified and corrected this violation and the violation is not repetitive, this violation is being treated as a Noncited Violation (NCV), consistent with Section 2.3.2 of the Enforcement Policy.

The NCV involved the failure to periodically (at least annually) review the radiation protection program content and implementation in accordance with 10 CFR 20.1101(c). If you contest the violation or significance of the NCV, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001, with copies to: (1) the Regional

Administrator, Region IV; and (2) the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

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. You can find the Information Notice on the NRC website at: <http://pbadupws.nrc.gov/docs/ML0612/ML061240509.pdf>. 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 Allyce B. Bolger at 817-200-1197 or the undersigned at 817-200-1455.

Sincerely,

/RA/

Patricia A. Silva, Chief
Materials Inspection Branch
Division of Nuclear Materials Safety

Docket: 030-38858
License: 25-35260-01

Enclosure:
Notice of Violation (Notice)

cc:
Carter S. Anderson, Administrator
Montana Department of Public Health &
Human Services

NRC ROUTINE INSPECTION REPORT 030-38858/2019-001 AND NOTICE OF VIOLATION
DATED August 23, 2019

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ADAMS ACCESSION NUMBER: **ML19241A17**

SUNSI Review: ADAMS: Non-Publicly Available Non-Sensitive Keyword:
By: ABB Yes No Publicly Available Sensitive

OFFICE	HP:DNMS	C:MIB				
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DATE	8/7/19	8/23/19				

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NOTICE OF VIOLATION

Madison Engineering, LLC
Bozeman, Montana

License No.: 25-35260-01
Docket No.: 030-38858

During an NRC inspection conducted on June 12, 2019, two violations of NRC requirements were identified. In accordance with the NRC Enforcement Policy, the violations are listed below:

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

49 CFR 172.704(c)(2) requires, in part, that a hazmat employee must receive the training required by 49 CFR 172 Subpart H at least once every 3 years.

Contrary to the above, on multiple occasions between April 22 and June 12, 2019, the licensee failed to provide the training required by 49 CFR 172 Subpart H to a hazmat employee. Specifically, the hazmat employee, who had last received hazmat training on April 22, 2016, had transported a portable gauge containing Class 7 radioactive material on several occasions after exceeding the 3-year recurrent hazmat training frequency.

This is a Severity Level IV violation (Section 6.3.d.4)

- B. License Condition 13.A of NRC Materials License 25-35260-01, Amendment 2, dated July 25, 2018, requires, in part, that sealed sources be tested for leakage and/or contamination at intervals not to exceed the interval specified in the certificate of registration issued by the U.S. Nuclear Regulatory Commission under 10 CFR 32.210 or by an Agreement State.

The certificate of registration for Seaman Nuclear Corporation Portable Moisture and Density Gauge Models C-200 and C-300 Series (NR-0587-D-104-S) specifies a leak test frequency of 6 months.

Contrary to the above, between March 26 and June 9, 2019, the licensee failed to test two sealed sources for leakage and/or contamination at intervals not to exceed 6 months. Specifically, the licensee's Seaman Nuclear Corporation C-200 and C-300 gauges were used on approximately 50 occasions during the period of March 26 through June 9, 2019, when their last leak tests had been performed on May 14, 2018, exceeding the 6-month frequency.

This is a Severity Level IV violation (Section 6.7.d.4)

Pursuant to the provisions of 10 CFR 2.201, C&H Engineering and Surveying, 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).

Enclosure

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 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 2 working days of receipt.

Dated this 23rd day of August 2019.