

SEP 21 1990

License No. 36-14803-02

Department of the Army  
U.S. Army Corps of Engineers, CENPP-SJ  
P. O. Box 2946  
Portland, Oregon 97208

Attention: Charles E. Cowan  
Colonel, Corps of Engineers

Gentlemen:

Thank you for your letter dated August 10, 1990 informing us of the steps you have taken to correct items which we brought to your attention in our letter dated July 19, 1990. Your corrective actions will be verified during our next inspection.

Your cooperation with us is appreciated.

Sincerely,

Robert J. Pate, Chief  
Nuclear Materials and Fuel  
Fabrication Branch

bcc w/copy of letter dated 8/10/90:  
docket file  
A. Johnson  
B. Faulkenberry  
J. Martin  
J. Zollicoffer  
M. Smith  
State of Oregon

REGION V  
PZurakowski RJPate  
9/17/90 9/21/90

REQUEST COPY REQUEST COPY  
YES / NO YES / NO

SEND TO PDR  
YES NO

9010020288 900821  
REG5 LIC30  
36-14803-02 PDI

TE07

RECEIVED  
NRC  
REGION V

AUG 10 1990 1990 AUG 15 AM 9:51

Operations Division

SUBJECT: Reply to Notice of Violation Report 90-01, Dock  
030-19774, License 36-14803-02

U.S. Nuclear Regulatory Commission  
ATTN: Document Control Desk  
Washington, D.C. 20555

Dear Sir:

Reference your letter dated July 19, 1990, Nuclear  
Regulatory Commission Inspection and Notice of Violation.

The Portland District, U.S. Army Corps of Engineers,  
admits to Violations A and B, as listed on the enclosed copy  
of the Notice of Violation.

Violation A:

1.1 Reason: This violation occurred during removal of  
two locked, self-contained radioactive sources so that the  
shipyard could do maintenance on associated piping. Originally,  
a Dredge Technology Corporation representative was scheduled to  
supervise this removal and storage. The representative could not  
be present in time, however, and Richard Amacher, our designated  
Radiation Protection Officer (RPO), supervised the removal to a  
locked cage in the shipyard. He is trained in and did perform  
the required radiation surveys. Mr. Amacher interpreted the  
license to mean that he was authorized to relocate the devices.  
Additional shipyard costs to the Government would have resulted  
if this work had been delayed until the representative from  
Dredge Technology Corporation arrived.

The second part of the violation involved transporting the  
radioactive sources from the shipyard to the U.S. Government  
Moorings. While Mr. Amacher was on annual leave, George Kona, an  
employee who has received training in the handling of radioactive  
material, believed that the shipyard storage was not adequate and  
caused the sources to be transported to a second location.

9-008170052 3 pp

1.2 Immediate Corrective Steps Taken: Because Mr. Kona believed the shipyard storage was not adequate, he immediately secured and labeled the boxes and made sure the garage was locked. The security guard was alerted to pay special attention to the garage to detect any possible forceable entry. The representative from Dredge Technology Corporation arrived on February 22, 1990, to take over accountability for the sources.

1.3 Follow-up Corrective Steps Taken: On July 18, 1990, the Corps of Engineers requested a license amendment to permit authorized, trained Government personnel to supervise the installation and relocation of these sources and to make radiation surveys.

1.4 Date of Full Compliance: Approval of the license amendment is expected by November 1990, bringing the Corps of Engineers to full compliance.

Violation B:

2.1 Reason: The shipyard overhaul contractor, West State, Inc., was informed by the Corps of Engineers of the impending need to move the sources. The contractor then moved the sources before receiving detailed transportation instructions.

2.2 Immediate Corrective Steps: Immediate corrective action was taken by George Kona who secured and labeled the boxes, locked the garage, and alerted the security guard to pay particular attention to that location for any signs of forceable entry.

2.3 Follow-up Corrective Steps: Further corrective action has been taken to insure complete communication between the Corps of Engineers' Radiation Protection Officer and the Contracting Officer's Representative who oversees the shipyard contractor.

2.4 Date of Full Compliance: This corrective action was accomplished by directive dated June 15, 1990, and will be fully effective upon issuance of the amended license which is expected by November 1990.

Conclusion: All Corps of Engineers people who deal with radioactive sources are trained and are fully aware of their responsibility for safety. It is our resolve to fully comply with both the letter and spirit of the Nuclear Regulatory Commission's requirements.

If there are any questions regarding this matter, please feel free to contact me.

Sincerely,

Charles E. Cowan  
Colonel, Corps of Engineers  
Commanding

Enclosure

Copy Furnished:

Regional Administrator  
U.S. Nuclear Regulatory Commission  
Region V  
1450 Maria Lane, Suite 210  
Walnut Creek, California 94596



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION V

1450 MARIA LANE, SUITE 210  
WALNUT CREEK, CALIFORNIA 94596

*Suspense?*  
*August 10, 1990*

JUL 19 1990

Report 90-01

Docket No. 030-19774

License No. 36-14803-02

Department of the Army  
US Corps of Engineers, CENPP-SO  
P. O. Box 2946  
Portland, Oregon 97208

Attention: Col. Charles E. Cowan  
District Engineer

Gentlemen:

SUBJECT: NRC INSPECTION AND NOTICE OF VIOLATION

This refers to the special safety inspection conducted by Mr. Paul R. Zurakowski of this office on June 14, 1990, of activities authorized by NRC License No. 36-14803-02 and to the discussion of the findings with Mr. Leroy Johnson and other members of your staff at the conclusion of the inspection.

The inspection was an examination of the activities conducted under your license as they relate to radiation safety and to compliance with the Commission's rules and regulations, and the conditions of your license. The inspection consisted of selective examination of procedures and representative records, interviews with personnel, and observations by the inspector.

Based on the results of this inspection, it appears that two of your activities were not conducted in full compliance with NRC requirements, as set forth in the Notice of Violation (Notice) accompanying this letter. These apparent violations have been categorized in severity levels as described in the "General Statement of Policy and Procedure for NRC Enforcement Actions, 10 CFR 2, Appendix C (1990).

Further, the violations involving the failure to (1) maintain records of physical inventory as per License Condition 15 and (2) maintain a record of transfer as per 10 CFR 30.51 for sources transferred to Dredge Technology Corporation on 1/28/88, (3) failure to post temporary storage area at 9010 N.W. St. Helens Road on February 5, 1990 with "Caution Radioactive Material" sign as required by 10 CFR 20.203(e) has not been cited in the Notice because criteria contained in 10 CFR 2, Appendix C, Section V A. were satisfied.

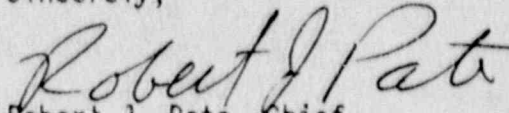
The responses directed by this letter and the accompanying Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1989, PL 96-511.

*0007240073 2kp*

JUL 19 1990

If you have any questions on this matter or concerning this inspection, please telephone Mr. Zurakowski on (415) 943-3700.

Sincerely,



Robert J. Pate, Chief  
Nuclear Materials and Fuel  
Fabrications Branch

Enclosure:  
Notice of Violation

NOTICE OF VIOLATION

Department of the Army  
US Corps of Engineers, CENPP-SO  
P. O. Box 2946  
Portland, OR 97208

Report No. 90-01  
Docket No. 030-19774  
License No. 36-14803-02

During an NRC inspection conducted on June 14, 1990, two violations of NRC requirements were identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1990), the violations are listed below:

- A. License Condition 14 provides, in part, that installation, initial radiation survey, or relocation of devices containing sealed sources shall be performed by Dredge Technology Corporation (DTC) or by persons specifically licensed by the Commission or an Agreement State to perform such services.

Contrary to the above on January 21, 1990 two sealed sources containing Cs-137 were removed from the Dredge Yaquina by a contractor (not DTC and not specifically licensed) and Corps of Engineer personnel.

This is a Severity Level IV Violation (Supplement VI).

- B. 10 CFR 71.5 states, in part, that each licensee who transports licensed material outside the confines of its plant or other place of use, or who delivers licensed material to a carrier for transport, shall comply with the applicable requirements of the regulations appropriate to the mode of transport of DOT in 49 CFR Parts 170-189.

49 CFR 172.200 states, in part, that each person who offers a hazardous material for transport shall describe the hazardous material on the shipping paper in the manner required by this subpart.

Contrary to the above, on February 5, 1990 two Integrated Density and Velocity Transducers (IDVT) containing two large sealed sources were transported from Swan Island to the licensee's facilities at 8010 M.W. St. Helens Road, Portland, Oregon without the required shipping paper.

This is a Severity Level IV Violation (Supplement VI).

Pursuant to the provisions of 10 CFR 2.201, the Department of the Army, U.S. Corps of Engineers, Portland, Oregon, is hereby required to submit a written statement of explanation to the U. S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555 with a copy to the Regional Administrator, Region V within 30 days of the date of the letter transmitting this Notice. This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation if admitted, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. If an adequate reply is not received within the time specified in this Notice, an order may be issued to show cause why the license should not be modified,

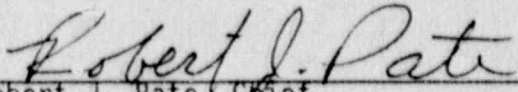
4007240101

2 pp.

suspended, or revoked or why such other action as may be proper should not be taken. Consideration may be given to extending the response for good cause shown.

FOR THE NUCLEAR REGULATORY COMMISSION

Dated at Walnut Creek, California  
this 9<sup>th</sup> day of July 1990

  
\_\_\_\_\_  
Robert J. Pate, Chief  
Nuclear Materials and Fuel  
Fabrication Branch