



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION V

1450 MARIA LANE
WALNUT CREEK, CALIFORNIA 94596-5368

March 24, 1994

Docket No. 15000004
License No. California 5309-80
EA 93-292

Construction Testing and Engineering Inc.
2414 Vineyard Avenue, Suite G
Escondido, California 92029

Attention: Mr. Rodney Ballard, President

SUBJECT: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL
PENALTY - \$500 (NRC INSPECTION REPORT NO. 15000004/94-04)

This refers to the special NRC inspection conducted by Mr. Kent M. Prendergast, Radiation Specialist, on September 29, 30, and October 25, 1993. Mr. Eugene Power, from the Office of Investigations, accompanied Mr. Prendergast. The inspection was conducted at Edwards Air Force Base and your Escondido, California facility. The results of the inspection were reported in NRC Inspection Report No. 15000004/93-13, dated November 24, 1993. One violation of NRC requirements was identified by the NRC during this inspection. The violation, its causes, and your corrective actions were discussed with you during an Enforcement Conference held on March 8, 1994. The results of the Enforcement Conference were documented in NRC Report No. 15000004/94-04, dated March 18, 1994, and is enclosed.

During this inspection, it was determined that CTE possessed and used byproduct material in areas under federal jurisdiction during the period of August 6 and 20, 1993, without an NRC specific license or an NRC general license issued pursuant to 10 CFR 150.20. The root causes of the violation appear to be your unfamiliarity with the conditions of your California license and failure of your previous RSO to keep licensee management informed regarding requirements for working in areas under federal jurisdiction.

The violation cited in the enclosed notice is cause for significant regulatory concern because your failure to obtain a license precluded the NRC from planning inspections in order to fulfill our responsibility to ensure that activities are carried out in accordance with NRC requirements and with due regard for employee and public safety. The violation appears to have resulted from your failure to determine NRC requirements prior to performing work in areas under federal jurisdiction at Edwards Air Force Base. Therefore, in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," (Enforcement Policy), 10 CFR Part 2, Appendix C, this violation has been categorized at Severity Level III. We note that you took prompt corrective action to obtain authorization for work in areas under federal jurisdiction, via an NRC Form 241, when the violation was brought to your attention.

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PDR STPRG ESGCA
PDR

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To emphasize the importance of compliance with federal requirements when performing work in areas under federal jurisdiction, I have been authorized to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalty (Notice) in the amount of \$500 for the Severity Level III violation. The base value of a civil penalty for a Severity Level III violation is \$500. The civil penalty adjustment factors in the Enforcement Policy were considered.

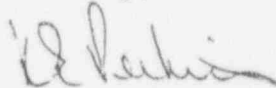
The base civil penalty was escalated 50 percent because the violation was identified by the NRC and mitigated 50 percent for prompt corrective action. The other adjustment factors were considered, and no further adjustment was deemed appropriate.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be placed in the NRC Public Document Room.

The responses directed by this letter and the enclosed Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, Pub. L. No. 96-511.

Sincerely,



K. E. Perkins, Jr.
Acting Regional Administrator

Enclosure as Stated

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bcc w/enclosure:

RV Docket File
Inspection File
G. Cook
R. Huey
M. Blume
K. Perkins
State of California

bcc w/o enclosure:

MSmith
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Region V/ann

*DRSS Division Director has
coordinated package with NMSS

Km P KPrendergast *OPG* GYuhas *Jaw* FWenslawski *Jaw* RScarano *for* MBlume *for*
3/18/94 3/18/94 3/18/94 3/18/94 3/18/94

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RHuey *for*
3/18/94
KPerkins
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