NOTICE OF VIOLATION

Department of the Army Los Angeles, California Docket No. 030-20427 License No. 04-23260-01

During an NRC inspection conducted on January 31 and February 24, 1994, one violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, the violations are listed below:

A. License Condition 16 requires in part that the licensee possess and use licensed material in accordance with the statements, representations, and procedures contained in the application dated January 22, 1992.

Item 9 of the licensee renewal application dated January 22, 1992, requires weekly inspections under the supervision of the Corps Project Engineer to be conducted by C&W Divers, Inc. C&W personnel are required to check for proper shutter operation and to check that labels are legible and visible. Item 10 of the application refers to a detailed drawing of the moisture density unit. The drawing entitled Integrated Density and Velocity Transducer" depicts a "CAUTION" label that provides specific instructions not to manipulate the source in the "in circuit" position and requires a warning to health authorities in the case of an emergency. This label is required to be maintained on the device in a legible condition.

Contrary to the above, as of January 31, 1994, the "CAUTION" label mentioned above was not on the gauge.

This is Severity Level IV violation (Supplement VI).

Pursuant to the provisions of 10 CFR 2.201, the Army Corps of Engineers, Los Angeles is hereby required to submit a written statement or explanation to the Regional Administrator, Region V, with a copy to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555, 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 for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation, (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, the Commission may issue an order or a demand for 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 for extending the response time.

Dated at Walnut Creek, California this 28th day of March 1994