



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV

611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064

JUN 6 1994

Docket: 030-32202
License: 11-27316-01
EA 94-095

Diamond H Testing Company
ATTN: Pete J. Hanges, President
4929 Yellowstone Avenue
Chubbuck, Idaho 83202

SUBJECT: NRC INSPECTION REPORT 030-32202/94-01

This refers to the routine, unannounced inspection conducted by Messrs. James L. Montgomery and Robert A. Brown of this office on April 19-21, 1994. Also an inoffice review was conducted on May 11 and 18-20, 1994. The inspection included a review of activities authorized by Byproduct Materials License 11-27316-01. At the conclusion of the inspection, the findings were discussed with members of your staff. The enclosed NRC Inspection Report 030-32202/94-01 documents this inspection.

The inspection was an examination of activities conducted under the license as they relate to radiation safety and to compliance with the Commission's rules and regulations and the conditions of the license. The inspection consisted of selective examinations of procedures and representative records, interviews of personnel, independent measurements, and observation of activities in progress.

Also reviewed were the actions you had taken with respect to the violations observed during our previous inspection conducted on January 25-26, February 10, and March 18, 1993. The inspection verified that the corrective actions for these violations had been implemented as stated in your reply dated April 19, 1993, and that these actions were effective.

Based on the results of this inspection, five apparent violations were identified and are being considered for escalated enforcement action in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), 10 CFR Part 2, Appendix C. Accordingly, no Notice of Violation is presently being issued for these inspection findings. In addition, please be advised that the number and characterization of apparent violations described in the enclosed inspection report may change as a result of further NRC review.

An enforcement conference to discuss these apparent violations has been scheduled for June 22, 1994, at 1:00 p.m. The decision to hold an enforcement conference does not mean that the NRC has determined that a violation has occurred or that enforcement action will be taken. The purposes of this conference are to discuss the apparent violations, their cause and safety

9406100051 940606
PDR ADOCK 03032202
C PDR

LEO7
11

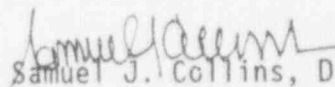
significance; to provide you the opportunity to point out any errors in our inspection report; and to provide an opportunity for you to present your proposed corrective action. In addition, this is an opportunity for you to provide any information concerning your perspectives on 1) the severity of the violations, 2) the application of the factors that the NRC considers when it determines the amount of a civil penalty that may be assessed in accordance with Section VI.B.2 of the Enforcement Policy, and 3) any other application of the Enforcement Policy to this case, including the exercise of discretion in accordance with Section VII. You will be advised by separate correspondence of the results of our deliberations on this matter. No response regarding the apparent violations is required at this time.

This enforcement conference will be open to public observation in accordance with the Commission's trial program as discussed in the enclosed Federal Register notice (Enclosure 3). Although not required, we encourage you to provide your comments on how you believe holding this conference open to public observation affected your presentation and your communications with the NRC.

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

Should you have any questions concerning this letter, please contact the inspector identified above at (817) 860-8100.

Sincerely,


Samuel J. Collins, Director
Division of Radiation Safety
and Safeguards

Enclosures:

1. Appendix A - NRC Inspection Report
030-32202/94-01
2. Appendix B - Proposed Enforcement
Conference Agenda
3. Federal Register Notice

cc:

Idaho Radiation Control Program Director
Hawaii Radiation Control Program Director

bcc:
 DMB - Original (IE-07)
 LJCallan
 SJCollins
 RAScarano
 DWeiss, OC/LFDCB (T-9E10)
 WLFisher
 CLCain
 FAWenslawski, WCFO
 RABrown
 JLMongtomery, WCFO
 NMIB
 MIS System
 RIV Files (2)
 JLieberman, OE (7 H5)
 GFSanborn, EO
 WLBrown, RC

*RIV:NMIB	*WCFO:MB	AC:NMIB <i>[Signature]</i>	DD:DRSS	D:DRSS
RABrown	JLMontgomery	CLCain <i>[Signature]</i>	RAScarano	SJCollins
05/ /94	05/ /94	06/3/94	06/ /94	06/3/94

*Previously concurred

bcc:
 DMB - Original (IE-07)
 LJCallan
 SJCcollins
 RAScarano
 DWeiss, OC/LFDCB (T-9E10)
 WLFisher
 CLCain
 FAWenslawski, WCFO
 RABrown
 JLMongtomery, WCFO
 NMIB
 MIS System
 RIV Files (2)
 JLieberman, OE (7 H5)
 GFSanborn, EO
 WLBrown, RC

*RIV:NMIB	*WCFO:MB	AC:NMIB <i>[Signature]</i>	DD:DRSS	D:DRSS
RABrown	JLMontgomery	CLCain <i>[Signature]</i>	RAScarano	SJCcollins
05/ /94	05/ /94	06/3/94	06/ /94	06/3/94

*Previously concurred

000040