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March 14, 1997

Mike Harwood, Operations Manager  
ATC Group Services, Inc. d/b/a  
ATC Associates, Inc.  
9839 Industrial Court, Suite B  
Highland, IN 46322

SUBJECT: NOTICE OF VIOLATION DATED FEBRUARY 6, 1997

Dear Mr. Harwood:

This acknowledges receipt of your letter dated March 6, 1997, in response to our letter dated February 6, 1997, transmitting a Notice of Violation.

We have reviewed your corrective actions, which appear to be adequate, and have no further questions at this time. These corrective actions will be examined during a future inspection.

Sincerely,

Original Signed by Roy J. Caniano

Roy J. Caniano, Acting Director  
Division of Nuclear Materials Safety

License No.: 13-17877-01  
Docket No.: 030-13563

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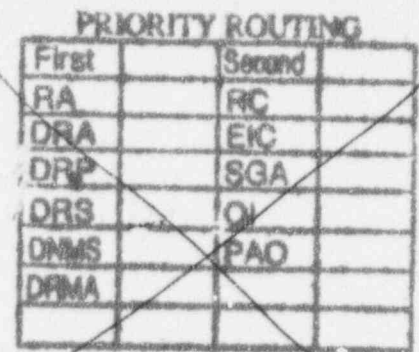
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**U.S. Nuclear Regulatory Commission**  
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Pursuant to the provisions of 10 CFR 2.201, ATC Group Services, Inc. d/b/a ATC Associates Inc (hereafter referred to as ATC) is submitting the following written response to the enclosed Notice of Violation, dated February 6, 1997.

The Notice of Violation was concerning the operation of sealed source nuclear density gauges at ATC's Highland, Indiana Location. A total of three (3) violations were identified by the Agency. They are listed as follows:

1. From February 1996 to January 1997, an individual not authorized by Condition 11 of License No. 13-17877-01 functioned as the RSO.

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

2. From February 1996 to January 1997, the licensed materials were stored at a location other than that identified in Condition 10 of License No. 13-17877-01.

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

3. From January 1995 to January 1996, several sealed sources from nuclear density gauges, containing nominal activities of approximately 10 millicuries of cesium-137 and 50 millicuries of americium-241, had not been tested for leakage at the required 6-month interval.

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

Violations 1 and 2 (change of RSO and change of location) refer to the daily operational changes that occurred in ATC's Highland office in January of 1996. ATEC's Corporate Safety Officer (at that time) was asked to file a request for a license amendment. However, this individual is no longer employed with the company and we are currently unable to locate a copy of the amendment request. It is very possible that the request was simply never made. This situation was eventually remedied on January 15, 1997 with an amendment request and payment that were hand-delivered to NRC Region III. A copy of the request is provided as "Attachment A" to this letter.

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As of January 1997, Amendment No. 10 of License No. 13-17877-01, allows for storage of the licensed materials at the new office location - 9839 Industrial Court, Suite B in Highland, Indiana (Condition 10) and also names Michael S. Harwood as the authorized RSO for the location (Condition 11). A copy of the latest license amendment is provided as "Attachment B".

In the future, ATC-Highland will notify NRC Region III and request license amendments for any changes in the storage or supervision of the licensed materials.

Violation 3 of the February 6, 1997 Notice of Violation identifies a 12-month period, between January 1995 and January 1996, where no evidence of leak tests can be found for the sealed source nuclear density gauges stored at ATC-Highland. ATC acknowledges that it is likely that these tests were not performed. The reason for the lapse in leak testing is not apparent, as the RSO for that time is not available. However, ATC has taken steps to eliminate this problem in the future by contracting with ICN Dosimetry Services to provide leak test kits for each gauge at regular 6-month intervals. All of the gauges stored at this location will be leak-tested upon the arrival of these kits.

In addition to the three (3) violations specifically mentioned in the February 6, 1997 Notice of Violation, some concerns were expressed by NRC regarding the operations in Highland. More specifically, the RSO was asked to describe the steps taken to (1) *"enhance your involvement and oversight of the radiation safety program and familiarize yourself with your NRC license and applicable NRC regulations"*; (2) *"ensure that damaged nuclear gauges are promptly evaluated for potentially leaking sealed sources"*; and (3) *"properly dispose of the damaged nuclear gauge"*.

In response to the above concerns, I can assure the NRC that I have (1) recently received Title 10, Chapter 1, Parts 19, 20, 21, 30, 71, and 150 of the Code of Federal Regulations and the Draft Regulatory Guide DG-0008. I have been reviewing these documents, as well as the requirements of our current licensing agreement with NRC. I have also (2) had our radiation survey meter recalibrated and have ordered and received extra leak test kits to have on hand if needed. I have also arranged for the disposal (3) of our damaged gauge (Serial No. 17205) with Troxler. A copy of the "Return Goods Authorization" form is provided as "Attachment C". The gauge was shipped on March 5, 1997.

Respectfully Submitted,  
**ATC Associates Inc.**



Michael S. Harwood  
Highland Radiation Safety Officer

cc: NRC Region III  
801 Warrenville Rd.  
Lisle, IL 60532-4351  
ATTN: Regional Administrator

enc.

## **ATTACHMENT A**