

HOWARD GREY & ASSOCIATES, INC

GEOLOGISTS AND ENGINEERS

711 H STREET, SUITE 450 ANCHORAGE, ALASKA 99501-3442

TELEPHONE (907) 276-6561

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REGION V

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July 10, 1989

United States Nuclear Regulatory Commission
Region V
1450 Mara Lane, Suite 210
Walnut Creek, California 94596-5468

Attention: Mr. Robert J. Pate, Chief
Nuclear Materials Safety and Safeguards Branch

Subject: Reply to Notice of Violations
License No. 50-21455-01

Gentlemen:

In response to your letter of June 26, 1989 citing the deficiencies brought out in the inspection of June 6 and 7, 1989, the following responses are presented.

Violation A

"License Condition 9 provides that licensed material listed in item 6 is authorized for use in Troxler Model 3400 Series moisture-density gauges.

Contrary to the above requirement, at the time of the inspection, the licensee possessed a Campbell Pacific Nuclear Model MC series gauge in lieu of the authorized one."

1. It is true that at the time of the inspection our current license did not specify use of a Campbell Pacific unit. Our original license, obtained September 30, 1983, did allow for both the CPN and Troxler nuclear gauges. However, while applying for a renewed license, the CPN gauge was inadvertently dropped from the application form. We do not understand why this occurred, especially since we do not own a Troxler unit.
2. An amendment to our license, along with a \$60.00 payment, was sent to the NRC on June 6, 1989. The amendment was received on July 10th and a copy is included for your review.

8908080234 890801
REG5 LIC30
50-21455-01 PDC

Violation B

"License Condition 16 provides that the licensee shall possess and use licensed material in accordance with statements, representations, and procedures contained in the application dated August 16, 1983 and August 26, 1988.

Contrary to the above requirements, at the time of the inspection, licensed material (cesium-137, 8 millicuries; americium-241, 40 millicuries) contained in a Campbell Pacific Density Gauge Model MC Series had not been secured from unauthorized removal from the basement storage facility, an unrestricted area."

1. At the time of the inspection, the lock which secures the cabinet that houses the nuclear gauge was not fastened. The door to the basement was locked, the gauge carrying case was locked, and the lock to the cabinet was in place, but it had not properly latched.
2. Upon further examination of the lock we discovered that the lock was faulty and did not always lock when pushed into the locking position. A new lock was put on the cabinet on June 7, 1989.

Violation C

"10 CFR 20.203(e) provides in part that each area or room in which licensed material is used or stored in an amount exceeding 10 times the quantity of such material specified in Appendix C of this chapter shall post a sign or signs bearing the radiation caution symbol and the words: CAUTION, RADIOACTIVE MATERIAL(S).

Contrary to the above requirement, at the time of the inspection the storage room used to store licensed material did not have the CAUTION, RADIOACTIVE MATERIAL(S) sign posted."

1. At the time of the inspection a sign reading CAUTION, RADIOACTIVE MATERIAL and measuring 8 1/2 inches by 10 inches was posted on the door of the cabinet holding the nuclear gauge. We were informed that this was the wrong sign. I do know that previous to moving to our new, present location we did have the correct sign posted. However, during the move and subsequent securing of the nuclear device we must have posted an improper sign.
2. A sign which was verbally accepted by the NRC inspector was posted on the cabinet on June 7, 1989. I have enclosed a full size copy of the currently posted sign for your inspection. Please inform us if there is any problem with this sign.

Violation D

"10 CFR 19.11(a) provides that each licensee shall post current copies of the following documents: (1) 10 CFR Parts 19 and 20,

(2) the license, license conditions or documents incorporated into the license by reference and amendments thereto, and (3) the operating procedures applicable to the licensed activities. 10 CFR 10.11(b) states that if posting of the documents specified in 10 CFR 10.11(a) is not practicable, the licensee may post a notice which describes the document and states where it may be examined.

Contrary to the above requirements, at the time of the inspection, neither the posting of documents required by 10 CFR 19.11(a) nor the notice authorized by 10 CFR 19.11(b) were posted at the licensee's facilities in Anchorage, Alaska."

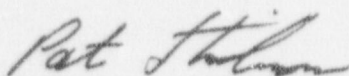
1. At the time of the inspection, the Notice to Employees was posted on the inside of the cabinet and not on the outside as required. As mentioned above under Violation C, at our previously location the notice was posted correctly. However, once we moved office locations we must have placed the sign in an incorrect location.
2. The Notice to Employees was placed on the outside of the cabinet on June 7, 1989. The location was verbally accepted by the two NRC inspectors.

During the inspection it was also pointed out to us that DOT requires a comprehensive shipping paper whenever we move the machine by road around town. We have put together a new shipping paper for our use. Please look over this document and let us know if it is adequate.

Thank you for your cooperaton in this matter.

Sincerely,

HOWARD GREY AND ASSOCIATES, INC.



Pat Stidmon
Radiation Safety Officer

PS:llm

Enclosures

MATERIALS LICENSE

Amendment No. 5

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations, Chapter I, Parts 30, 31, 32, 33, 34, 35, 40 and 70, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

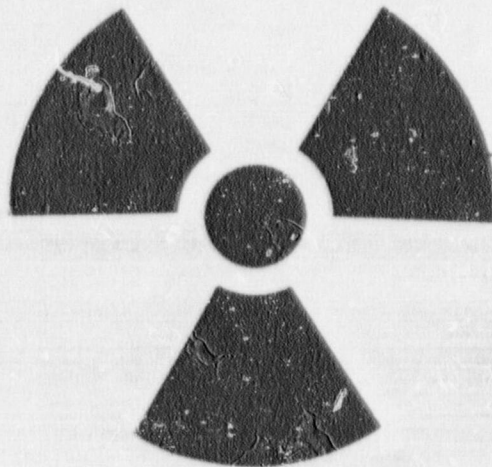
Licensee		In accordance with application dated August 26, 1988	
1. Howard Grey & Associates, Inc.		3. License number 50-21455-01 is amended in its entirety to read as follows:	
2. 711 H Street, Suite 450 Anchorage, Alaska 99501		4. Expiration date September 30, 1993	
		5. Docket or Reference No. 030-20789	
6. Byproduct, source, and/or special nuclear material	7. Chemical and/or physical form	8. Maximum amount that licensee may possess at any one time under this license	
A. Cesium 137	A. Sealed sources (Troxler Dwg. A-102112)	A. Not to exceed 10 millicuries per source	
B. Americium 241	B. Sealed neutron sources (Troxler Dwg. A-102451)	B. Not to exceed 50 millicuries per source	
C. Cesium 137	C. Sealed sources (Campbell Pacific Nuclear Model CPN-131)	C. Not to exceed 10 millicuries per source	
D. Americium 241	D. Sealed neutron sources (Campbell Pacific Nuclear Model CPN-131)	D. Not to exceed 50 millicuries per source	
9. Authorized use			
A. and B. For use in Troxler Model 3400 Series Moisture-Density gauges to measure properties of construction materials.			
C. and D. For use in Campbell Pacific Nuclear Model MC Series gauges to measure properties of construction materials.			

CONDITIONS

10. Licensed material may be used at 711 H Street, Anchorage, Alaska, and at temporary job sites of the licensee anywhere in the United States where the U. S. Nuclear Regulatory Commission maintains jurisdiction for regulating the use of licensed material.

Actual Size.

CAUTION



deep
purple
color

yellow
color

RADIOACTIVE MATERIAL

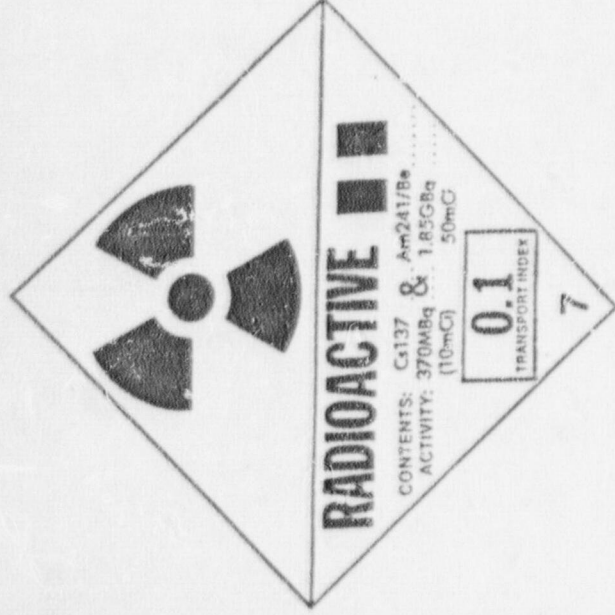
EMERGENCY PHONE

272-2617 / 276-1597

CAMPBELL PACIFIC NUCLEAR CORP. 415-687-6472

SHIPPING PAPER

FOR CPN MC-1 NUCLEAR DENSITY / MOISTURE GAUGE



SHIPPER

Howard Grey & Associates, Inc.
711 "H" Street, Suite 450
Anchorage, Alaska 99501
(907) 276-6561

TRANSPORT DETAILS

POINT OF DEPARTURE: Anchorage, Alaska

DESTINATION

NATURE AND QUANTITY OF RADIOACTIVE GOODS

PROPER SHIPPING NAME	CLASS	UN NO.	QUANTITY AND TYPE OF PACKING	PACKING INST.
Radioactive Material Special Form, NOS NA 9182				Radioactive Yellow II Label
Cesium 137 and Americium 241/Be in Orange Plastic Box Serial No. M1311516d	7	UN2974	0.370 G Bq (10 MCi) Cs 137 Group III, Special Form	T.I. 0.1
	7	UN2974	1.85 G Bq (50 MCi) AM-241/Be Group I, Special Form	Dimensions: 13"x15"x24" (33cmx38cmx61cm)
				USA DOT Type A Package

Intended for Engineering use to determine density and moisture of various materials.

This is to certify that the above named materials are properly classified, described, packaged, marked and labeled, and are in proper condition for transportation according to the applicable regulations of the Department of Transportation.

NAME/TITLE OF SIGNATORY

PLACE AND DATE

SIGNATURE