

April 19, 2021

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555-0001

RE: Response to Apparent Violation in NRC Inspection for French Onion LLC; EA-21-028

To whom it may concern:

This letter is in response to a remote inspection of License # 25-27006-01 that was conducted in February 2021 with Gerald Gaston, Julie Verellen, and Jim Verellen. Gaston Engineering & Surveying, P.C. held the license for the two nuclear gauges from October 19, 1989 through February 16, 2000 - when it was changed to French Onion, LLC. French Onion, LLC has held the license from February 2000 - present. There have never been any major violations or accidents since ownership began in October 1989.

Gaston Engineering & Surveying, P.C. and French Onion, LLC are small, family-owned businesses that have a deeply intertwined relationship. Both companies have fewer than 10 employees and are located in the same building at 211 Haggerty Lane, Bozeman, MT 59715. The President of French Onion, LLC (Gerald Gaston) is also the Vice President of Gaston Engineering & Surveying, P.C. His daughter, Julie Verellen is the President of Gaston Engineering & Surveying, P.C. and also a signatory for French Onion. Jim Verellen, is the husband of Julie Verellen and son-in-law of Gerald Gaston. Jim is responsible to work with Gerald (RSO) to maintain all NRC documentation required for the current license. Some of the main employees that operate the nuclear gauges have done so successfully since 1989 (such as Brent Miller). Those employees have also worked with French Onion, LLC conducting repairs to equipment, etc.

The change of control application that was requested in 2000 to change ownership from Gaston Engineering to French Onion was a formality (in our mind) in order for French Onion to be able to collect rent on the gauges from Gaston Engineering. A lease agreement between the two companies was put in place and business continued as usual, with our understanding that we had done everything correctly with regards to the NRC. Because of the intertwined nature of the two companies, it was our understanding that no operational changes were needed.

From the beginning of the license in 1989, Gaston Engineering and Surveying, P.C. has handled and kept all training records, audits, dosimetry documentation, etc. for the gauges. All previous audits have been held at the business location and all documents have been provided to the persons conducting the audit from Gaston Engineering. With the previous audits being conducted on-site, we allowed the auditors to see our operation, see our paperwork, etc. and we felt confident that we were following all requirements of the NRC - other than any changes that were noted during those on-site visits. There was never any question during the audits about Gaston Engineering & Surveying, P.C. providing and

presenting all of the audit materials to the on-site auditors or apparent confusion between French Onion and Gaston Engineering. So, it was surprising to us when the current audit noted that there was a potential violation. As soon as we were notified, we immediately tried to remedy the confusion by requesting a change of control application on March 1, 2021. This change of control application requested the license be switched back to Gaston Engineering from French Onion. We received the approved change of control application today on April 19, 2021. Our desire is to be in compliance with the NRC requirements and we do not have a desire to hide any information. We have tried to be as transparent as we have always been during the audits and once the violation was brought to our attention, we desired to remedy it immediately.

Below is a summary of our response:

Reason for apparent violation:

The current license #25-27006-01 is for French Onion, LLC but it was noted in the most recent remote inspection that Gaston Engineering & Surveying employees were utilizing the gauges through a lease agreement with French Onion that was not adequate.

Corrective Steps that have been taken:

Immediately upon notification of this issue, French Onion LLC requested a change-of-control application to switch the license back to Gaston Engineering & Surveying, P.C. Gaston Engineering agreed to not operate any of the gauges until the licensee has been changed.

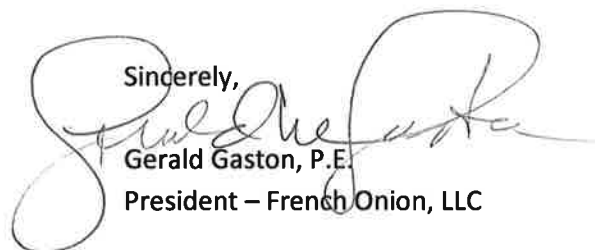
Corrective Steps that will be taken:

Once the change-of-control application is approved, the current lease agreement will be terminated between French Onion, LLC and Gaston Engineering & Surveying, P.C. We received notification that the change of control application was approved today on April 19, 2021.

Date when full compliance will be achieved:

As soon as the change of control application is approved, we should be in full compliance.

Please let me know if you have any questions, or would like to discuss further.

Sincerely,

Gerald Gaston, P.E.
President – French Onion, LLC

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