



**Geotechnical Engineering
Environmental Services
Materials Testing**

March 30, 2022

United States Nuclear Regulatory Commission
Region IV
Division of Nuclear Materials Safety
1600 Lamar Boulevard
Arlington, TX 76011-4511

Attn: Mary C. Muessle, Director

Re: NRC Inspection Report 030-37747/2021-001 and Notice of Violation

Dear Ms. Muessle,

We are writing this letter in response to the above referenced inspection report dated February 28, 2022 and conveyed to us via electronic mail on March 3, 2022. In the referenced inspection report, two apparent violations were noted for failures to; (1) secure portable gauges from unauthorized removal while not under constant control or surveillance and (2) confine possession and use of byproduct material to locations authorized on NRC License 40-29299-01. In addition to the two apparent violations, one Severity Level IV violation for failure to renew the HAZMAT training for employees at least once every 3 years was noted in the inspection.

Apparent Violation #1

In response to the first apparent violation, the failure to secure portable gauges from unauthorized removal while not under constant control or surveillance, we do not dispute the findings of the inspection. Core Engineering's field technician did in fact leave a gauge unsecured in an unlocked vehicle at our facility in near Fort Thompson, SD. The technician was in the process of removing the gauge from the vehicle to return it to locked storage when he was interrupted and simply forgot to go back to finish.

Since the date of the inspection, the technician in question has undergone refresher training on properly handling, securing and transporting portable gauges. Company policy has been altered to include more frequent (weekly when gauges are being used regularly) reminders and refreshers to employees regarding handling, securing and transporting portable gauges. As the RSO, I have been more diligent about reviewing employee processes and procedures to ensure they are remaining in compliance with NRC rules.

Apparent Violation #2

In response to the second apparent violation, the failure to confine possession and use of byproduct material to locations authorized on NRC License 40-29299-01, we do not dispute the

findings of the inspection, however we are claiming extenuating circumstances. In early 2020, Core Engineering entered into an agreement to sell the facility listed on License 40-29299-01. A request to amend the license to reflect the change in storage location was issued to the NRC on March 4, 2020. At the time of closing on May 27, 2020, we had not received a response to our request for amendment. Because we could not safely leave the gauges unattended at the location listed on the license, which we did not at this point retain ownership of, we opted to move the gauges to the new facility location where they could be properly secured in accordance with the applicable regulations.

At the time of the inspection in August of 2021, the safety and security of the storage location was confirmed by NRC personnel to meet the applicable standards. We have always maintained the highest standards with respect to the safety and security of the portable gauge storage locations at our facilities. With respect to this apparent violation, extenuating circumstances required us to violate the letter of the rule in an effort to uphold the spirit of the rule.

Severity Level IV Violation

In response to the Severity Level IV violation, the failure to renew HAZMAT training for employees at least once every 3 years, we do not dispute the findings of the inspection. Our internal processes and procedures follow the HAZMAT training rules and our annual refresher training reiterates the hazmat training. The failure to renew our HAZMAT certificates was an oversight in our program review due primarily to a change in staff assigned to perform the annual audits. We have since modified our procedures to ensure that calendar reminders are set for each employee and notes are made in the annual program audit to review certificate expiration dates.

Closing

We appreciate the efforts of the NRC inspectors to educate, inform and assist our program in maintaining compliance with the NRC rules and regulations. We trust these responses are adequate to complete your inspection report and make a final determination regarding the apparent violations.

If you have any questions regarding this response, please contact us.

Sincerely,

Core Engineering & Consulting, Inc.



Patrick J. Engels, PE RSO
Principal Geotechnical Engineer
patrick@coresd.com