



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION**  
REGION IV  
1600 E. LAMAR BLVD.  
ARLINGTON, TX 76011-4511

March 27, 2014

Mr. Trevor Sande  
R & M Engineering – Ketchikan, Inc.  
355 Carlana Lake Road  
Ketchikan, Alaska 99901

**SUBJECT: NRC INSPECTION REPORT 030-37441/2014-001 AND NOTICE OF VIOLATION**

Dear Mr. Sande:

This letter refers to the unannounced inspection that was conducted on February 12, 2014, at your facility in Ketchikan, Alaska, with continued in-office reviews until March 18, 2014. The inspection was an examination of activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of the license. Within these areas, the inspection consisted of selected examination of procedures and representative records and interviews with personnel. Preliminary inspection findings were discussed with your staff at the conclusion of the onsite inspection. A final telephonic exit briefing was conducted with Robert Badgett of your staff on March 19, 2014.

Based on the results of this inspection, three Severity Level IV violations of the U.S. Nuclear Regulatory Commission (NRC) requirements occurred. The violations were evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The violations involved the failures to: (1) provide an individual required training prior to the use of a portable gauge containing radioactive material; (2) maintain possession limits of radioactive material at or below that authorized on your license; and (3) perform annual audits of your radiation safety program. The violations are cited in the enclosed Notice of Violation (Notice) because they were identified by the NRC during the inspection.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The guidance in NRC Information Notice 96-28, "Suggested Guidance Relating to Development and Implementation of Corrective Action," may be helpful. You can find the Information Notice on the NRC website at: <https://www.nrc.gov/reading-rm/doc-collections/gen-comm/info-notices/1996/in96028.html>. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

Your response will be made available electronically for public inspection in the NRC Public Document Room or in the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. Therefore, to the extent possible, the response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

Should you have any questions regarding this letter or the enclosed Notice, please contact Anthony Gaines at 817-200-1252 or the undersigned at 817-200-1130.

Sincerely,

**/RA/**

G. Michael Vasquez, Chief  
Nuclear Materials Safety Branch A  
Division of Nuclear Materials Safety

Docket No: 030-37441  
License No: 50-29259-01

Enclosure:  
Notice of Violation (Notice)

cc w/encl:     Director, Alaska Radiation  
                  Control Program

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Sincerely,

**/RA/**

G. Michael Vasquez, Chief  
Nuclear Materials Safety Branch A  
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cc w/encl: Director, Alaska Radiation  
Control Program

**DISTRIBUTION w/encl:**

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ADGaines	GMVasquez		
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03/19/14	03/27/14		

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## NOTICE OF VIOLATION

R & M Engineering – Ketchikan, Inc.  
Ketchikan, Alaska

Docket: 030-37441  
License: 50-29259-01

During the U.S. Nuclear Regulatory Commission (NRC) onsite inspection conducted on February 12, 2014, three violations of NRC requirements were identified. In accordance with the NRC Enforcement Policy, the violations are listed below:

- A. License Condition 11 states that licensed material shall only be used by, or under the supervision and in the physical presence of individuals who have received the training described in the application dated March 27, 2007. The application states that before using licensed materials, authorized users will have successfully completed one of the training courses described in Criteria in the section entitled "Training for Individuals Working In or Frequenting Restricted Areas" in NUREG-1556, Vol. 1, Rev. 1, dated November 2001. The courses described in the Criteria section are either the portable gauge manufacturer's training course for users or an equivalent course that meets Appendix D criteria.

Contrary to the above, in August 2013 an individual used the licensee's portable gauge containing licensed material and was not under the supervision and in the physical presence of an individual who had received the training described in the application dated March 27, 2007, nor had the individual completed the portable gauge manufacturer's training course for users or an equivalent course that met Appendix D criteria. Specifically, an individual who was qualified by on-the-job training in the use of the gauge and had a civil engineering degree used the gauge once without being supervised or have the training that was committed to in the licensee's application.

This is a Severity Level IV violation. (Section 6.3)

- B. License Conditions 6 C. and 6 D.; 7 C. and 7 D.; and 8 C. and 8 D. states that the maximum amount of Cesium-137 and Americium-241:Be that the licensee can possess in a CPN International, Inc., Model CPN-131 sealed source is 10 millicuries per source and 10 millicuries total for Cesium-137 and 50 millicuries per source and 50 millicuries total for Americium-241:Be. License Condition 9 C. and D. states the sealed sources in the quantities given above are to be used in a CPN International, Inc. Model MC Series PORTAPROBE portable gauging device.

Contrary to the above, on February 12, 2014, the licensee had in it's possession 30 millicuries total of Cesium-137 in CPN International, Inc., Model CPN-131 sealed sources and 150 millicuries total of Americium-241:Be in CPN International, Inc., Model CPN-131 sealed sources. Specifically, on October 21, 2013, the licensee had in it's possession one CPN International, Inc., Model MC Series PORTAPROBE portable gauging device, and purchased two more Model MC Series PORTAPROBE portable gauging devices. The possession of three Model MC Series PORTAPROBE portable gauging devices made the licensee exceed the total limits in License Condition 8 C. and 8 D. for Cesium-137 and Americium-241:Be.

This is a Severity Level IV violation. (Section 6.3)

Enclosures

- C. 10 CFR 20.1101(c) states, that the licensee shall periodically (at least annually) review the radiation protection program content and implementation.

Contrary to the above, the licensee did not periodically (at least annually) review the radiation protection program content and implementation. Specifically, the licensee did not review the radiation protection program content and implementation for 2009, 2010, 2011, 2012, and 2013.

This is a Severity Level IV violation. (Section 6.3)

Pursuant to the provisions of 10 CFR 2.201, R & M Engineering – Ketchikan, Inc., is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001, with a copy to the Regional Administrator, Region IV, 1600 E. Lamar Blvd., Arlington, Texas, 76011, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for the violation: (1) the reason for the violation or, if contested, the basis for disputing the violation or severity level; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken; and (4) the date when full compliance was, or will be, achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001.

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days.

Dated this 27th day of March, 2014.