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

September 11, 2014

EA-14-038

Sameer K. Jetly, President/CEO  
Industrial Nuclear Company, Inc.  
300 Highway 146 North  
La Porte, TX 77571

SUBJECT: NOTICE OF VIOLATION - NRC INSPECTION REPORT NO. 03038652/2013001

Dear Mr. Jetly:

This letter provides you with the U.S. Nuclear Regulatory Commission's (NRC) enforcement decision for the apparent violation(s) of NRC requirements identified as a result of NRC's inspection conducted on December 12, 2013, at the Industrial Nuclear Company, Inc., facility in La Porte, Texas, with continued in-office review through May 9, 2014. The results of the inspection were discussed with you and members of your staff during an exit briefing conducted on May 9, 2014, and documented in NRC Inspection Report No. 03038652/2013001. This inspection report was provided to you as an enclosure to our letter (Agencywide Documents Access and Management System (ADAMS) accession number ML14233A433), dated August 20, 2014. The inspection report is not publicly available because it contains Security-Related Information.

In the letter transmitting the inspection report, we provided you with the opportunity to address the apparent violations identified in the report by either attending a predecisional enforcement conference or by providing a written response before we made our final enforcement decision. In a letter dated August 22, 2014, you provided a response to the apparent violations.

Based on the information developed during the inspection and the information that you provided in your response to the inspection report dated August 20, 2014, the NRC has determined that a violation(s) of NRC security-related requirements occurred. The violation(s) is/are cited in the enclosed non-public Notice of Violation (Notice) and the circumstances surrounding it/them are described in detail in the subject inspection report.

**Enclosure transmitted herewith contains Security-Related Information.  
When separated from enclosure, this transmittal document is decontrolled.**

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S. Jetly

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In accordance with the NRC Enforcement Policy, a base civil penalty is considered for any escalated enforcement action. However, because your facility has not been the subject of escalated enforcement action within the last 2 years, the NRC considered whether credit was warranted for *Corrective Action* in accordance with the civil penalty assessment process in Section 2.3.4 of the Enforcement Policy. The NRC has concluded that corrective action credit is warranted, because you took corrective actions that were prompt and comprehensive.

Therefore, to encourage continued prompt and comprehensive correction of violations, and in recognition of the absence of previous escalated enforcement action, I have been authorized, after consultation with the Director, Office of Enforcement, not to propose a civil penalty in this case. However, significant violations in the future could result in a civil penalty. In addition, issuance of this enforcement action constitutes escalated enforcement that may subject you to increased inspection effort.

The NRC has concluded that information regarding (1) the reason for the violation(s); (2) the corrective actions that have been taken and the results achieved; and (3) the date when full compliance was achieved are already adequately addressed on the docket in NRC Inspection Report No. 03038652/2013001, and your letter dated August 22, 2014. Therefore, you are not required to respond to this letter unless the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed Notice.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be made available electronically for public inspection in the NRC Public Document Room and 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>. However, the material enclosed herewith contains Security-Related Information in accordance with 10 CFR 2.390(d)(1) and its disclosure to unauthorized individuals could present a security vulnerability. Therefore, the material in the enclosure will not be made available electronically for public inspection in the NRC Public Document Room or in ADAMS.

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S. Jetly

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If you choose to provide a response, and Security-Related Information is necessary to provide an acceptable response, please mark your entire response Security-Related Information in accordance with 10 CFR 2.390(d)(1) and follow the instructions for withholding in 10 CFR 2.390(b)(1). In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response. The NRC also includes significant enforcement actions on its Web site at <http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions/>.

Sincerely,

/RA/

Kriss M. Kennedy  
Deputy Regional Administrator

License: TX L04508

Docket: 030-38652

Nonpublic Enclosure: Notice of Violation

cc w/Enclosure:

Richard A. Ratliff, P.E., L.M.P., Director  
Radiation Safety Licensing Branch Manager  
Division for Regulatory Services  
Texas Dept. of State Health Services  
P.O. Box 149347 Mail Code 2835  
Austin, Texas 78714-9347

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