



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION IV
1600 E. LAMAR BLVD.
ARLINGTON, TX 76011-4511

February 15, 2017

EA-16-272

Mr. Steve Laflin, President
International Isotopes, Inc.
4137 Commerce Circle
Idaho Falls, ID 83401

SUBJECT: NRC INSPECTION REPORT 030-35486/2016-001; AND RESPONSE TO
DISPUTED NOTICE OF VIOLATION

Dear Mr. Laflin:

On November 9, 2016, the U.S. Nuclear Regulatory Commission (NRC) issued the subject inspection report and Notice of Violation (Notice) to International Isotopes, Inc., for one or more security-related violations of NRC requirements. The inspection report, with an enclosed Notice (Agencywide Document Access and Management System (ADAMS) ML16312A374), required a written response within 30 days. You responded by letter dated December 2, 2016, (ML16347A313) in which you disputed a security-related violation. Both the NRC's Notice and your response contained Security-Related Information and are not publicly available. On December 15, 2016, we issued an acknowledgement letter informing you that we would review your basis for contesting the violation (ML16349A549).

The NRC conducted a detailed review of your response and the applicable regulatory requirements in accordance with Part I, Section 2.3.7 of the NRC Enforcement Manual. The NRC staff that performed the review were not involved with the original inspection effort. After careful consideration of the basis for your denial of the violation, the NRC has concluded that the violation is appropriate and that the Notice adequately describes the finding that was identified during the NRC's inspection. As a result, the NRC is upholding the violation contained in the Notice. The results of the NRC's evaluation is provided in the enclosure to this letter.

You are required to submit a written statement to the November 9, 2016, Notice for the disputed violation. You must follow the instructions specified in the 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>. Information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence, and the date when full compliance will be achieved should be addressed in your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

"Enclosure transmitted herewith contains Sensitive Unclassified Non-Safeguards Information. When separated from enclosure, this transmittal document is decontrolled."

S. Laflin

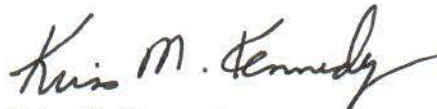
2

The enclosure to this letter contains Security-Related Information under 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, accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

If 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.

If you have any questions concerning this matter, please contact Ray L. Kellar, P.E., Chief, Nuclear Materials Safety Branch A, at 817-200-1191.

Sincerely,



Kriss M. Kennedy
Regional Administrator

Docket No.: 030-35486
License No.: 11-27680-01MD

Enclosure:
NRC evaluation of licensee response
to notice of violation

cc w/ Enclosure:
Mark Dietrich, Radiation Control
Program Director
1410 North Hilton
Boise, ID 83706