

February 5, 2018

EA-17-173

Mr. Mike Rose
Industrial Nuclear Company, Inc.
14320 Wicks Blvd
San Leandro, CA 94577

SUBJECT: FAILURE TO PROPERLY NOTIFY THE U.S. NUCLEAR REGULATORY
COMMISSION IN ADVANCE OF IMPORT SHIPMENT – NON-CITED
VIOLATION

Dear Mr. Rose:

This letter refers to a review of an Industrial Nuclear Company, Inc. (INC) import of a Category 1 quantity of iridium-192 (Ir-192) from Russia to INC located in La Porte, Texas. Title 10 of the *Code of Federal Regulations* (10 CFR) Section 110.50© states, in part, that a licensee authorized to export or import radioactive material listed in Appendix P to 10 CFR Part 110 is responsible for notifying the U.S. Nuclear Regulatory Commission (NRC) in advance of each shipment. In accordance with 10 CFR 110.50©(4), import notifications must be received by the NRC at least seven days in advance of each shipment. The results of this review were discussed with you on September 25, 2017, by a member of my staff, Jane Chimood.

Based on the information provided, the NRC has determined that a Severity Level IV violation of NRC requirements occurred. Specifically, on August 8, 2017, INC submitted a Shipping Notification (notification), reference number Ir-17-10-TX, NRC Agencywide Document Access and Management System (ADAMS), Accession No. ML17272A968, to notify the NRC of its import of a Category 1 quantity of Ir-192 from Russia on August 4, 2017. In the email transmitting the notification, INC self-disclosed that the notification was late because INC did not receive the shipping information from its customer in Russia on or before July 28, 2017, at least seven days in advance of the import. Instead, INC was informed of the import on August 8, 2017, four days after the shipment left Russia. On August 15, 2017, while the shipment was delayed in Paris, INC notified the NRC of its cancellation of the shipment ADAMS Accession No. ML17272A990, due to the fact that its customer did not give it 10-day pre-shipment notification. On August 18, 2017, INC notified the NRC of its reinstatement of the cancelled notification, ADAMS Accession No. ML17272A990, because INC had been informed by its customer that it must take the material. Based on the information exchanged with INC during our review of this activity, the NRC determined that INC failed to submit an advanced notification at least seven days in advance of the shipment, as required by 10 CFR 110.50©. INC's failure to provide timely information did not allow the NRC sufficient time to perform its review, which could have had significant implications for public health and safety or common defense and security.

This violation was evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is available on the NRC's Web site at <http://www.nrc.gov/aboutnrc/regulatory/enforcement/enforce-pol.html>. The violation is being treated as a non-cited violation (NCV) because all the criteria in Section 2.3.2 of the NRC's Enforcement Policy are met: (1) you identified the violation, (2) you initiated prompt and comprehensive corrective actions to prevent recurrence as documented in your email dated August 15, 2017, (3) the violation was not repetitive as a result of inadequate corrective actions, and (4) the violation was not willful.

If you contest the violation or significance of this NCV, you should provide a response within 30 days of the date of this report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001, with copies to the Deputy Director, Office of International Programs, and Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter, and your response if you choose to provide one, will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system Agencywide Documents Access and Management System, accessible from the NRC Website at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy or proprietary information so that it can be made available to the Public without redaction.

Please contact Ms. Chimood at (301) 287-9225 if you have any questions regarding this matter.

Sincerely,

/RA/

Peter J. Habighorst, Chief
Export Controls and Nonproliferation Branch
Office of International Programs

cc: C. Sullivan
State of Texas

M. Rose

- 3 -

SUBJECT: FAILURE TO PROPERLY NOTIFY THE U.S. NUCLEAR REGULATORY
COMMISSION IN ADVANCE OF IMPORT SHIPMENT AND - NON-CITED
VIOLATION DATED FEBRUARY 5, 2018

DISTRIBUTION:

OIP/rf

DSkeen, OIP

RFretz, OE

PHabighorst, OIP

OE r/f

AJones, OIP

RErickson, RIV

ADAMS Accession Number: ML17272A950 (pkg) ML17271A268 (ltr)

OFFICE	OIP/ECNP	OIP/ECNP	OE	BC:OIP/ECNP
NAME	JChimood	AJones	RFretz	PHabighorst
DATE	10/03/17	10/04/17	01/16/18	02/05/18

OFFICIAL RECORD COPY