

APPENDIX A
NOTICE OF VIOLATION

South Coast, Inc.
P. O. Box 8620
Ketchikan, Alaska 99901

License No. 50-23210-01

As a result of the inspection conducted August 20, 1985, and in accordance with the NRC Enforcement Policy, 10 CFR Part 2, Appendix C, the following violations were identified:

- A. 10 CFR 20.207(a) states that licensed materials stored in an unrestricted area shall be secured from unauthorized removal from the place of storage. Also, License Condition 18 states that the licensee shall possess and use licensed material in accordance with statements, representations, and procedures contained in application dated March 12, 1984. The attachment to the application states that the source(s) will be stored behind a cement brick enclosure approximately three feet in height located within the Engineering Equipment Storage Room. The attachment, also states, that the entrance to the storage room facility will be locked at all times, and the key to the room will be controlled by the Radiation Protection Officer and Senior Engineer.

Contrary to the above requirements, licensed material (cesium-137, 9 millicuries; americium-241, 40 millicuries) contained in the Troxler Moisture Density Gauge Model 3411B had not been secured from unauthorized removal from the third floor Engineering Equipment Storage Room located in the Maintenance Shop and Storage Building, an unrestricted area.

During a walkthrough inspection of the storage room facility, the inspector observed that no door, locking enclosure or other means of security had been installed to prevent access to, or unauthorized removal of the gauge. A licensee representative also stated that the storage facility described in the application was planned but had never been constructed.

This is a Severity Level IV Violation (Supplement IV).

- B. License Condition 16 states that a physical inventory shall be conducted every six months to account for all sealed sources received and possessed under the license.

Contrary to the above requirement, physical inventories had not been conducted of the sealed sources (cesium-137, 8 millicuries; americium-241, 40 millicuries) contained in a Troxler Moisture Density Gauge Model 3411B, during the period between the receipt of the gauge in approximately April 1984 and the date of inspection, August 20, 1985.

This is a Severity Level IV Violation (Supplement VI).

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- C. License Condition 15.A states that each sealed source containing licensed material, other than hydrogen-3 with a half-life greater than thirty days and in any form other than gas, shall be tested for leakage and/or contamination at intervals not to exceed six months. License Condition 15 also requires that sealed sources that are in storage and not being used shall be tested for leakage prior to any use unless they have been leak tested within six months prior to the date of use.

Contrary to the above requirements, a leak test was conducted in November 1984 but was not repeated prior to the use of the sealed sources (cesium-137, 8 millicuries; americium-241, 40 millicuries) contained in a Troxler Moisture Density Gauge Model 3411B, during the months of June, July and August of 1985 at the Hydraburg Highway Project construction site on Prince of Wales Island, Alaska.

This is a Severity Level IV Violation (Supplement VI).

- D. License Condition 18 states that the licensee shall possess and use licensed material in accordance with statements, representations, and procedures contained in application dated March 12, 1984. Item 15 of the application requires the licensee to maintain personnel radiation exposure records of badged individuals using licensed material.

Contrary to the above requirement, at the time of inspection, personnel radiation exposure records had not been maintained for the individual who had used the licensed material during November 1984.

This is a Severity Level IV Violation (Supplement VI).

- E. License Condition 17 states, in part, that the licensee may transport licensed material in accordance with the provisions of 10 CFR Part 71, "Packaging of Radioactive Material for Transport and Transportation of Radioactive Material Under Certain Conditions". 10 CFR 71.5(a) states that each licensee who transports licensed material outside of the confines of its plant or other place of use, or who delivers licensed material to a carrier for transport, shall comply with the applicable requirements of the regulations appropriate to the mode of transport of the Department of Transportation in 49 CFR Parts 170 through 189. 49 CFR 172.200 requires that each person who transports or delivers to a common carrier for transport a package containing radioactive material shall describe the hazardous material on a shipping paper in a manner prescribed by Subpart C of 49 CFR 172.

Contrary to the above requirements, the licensee without shipping papers, transported by private carrier, a moisture density gauge containing sealed sources totaling 8 millicuries of cesium-137 and 40 millicuries of americium-241. The licensed material was shipped in a helicopter from the licensee's facilities in Ketchikan, Alaska to the Snettisham Hydroproject site near Juneau, Alaska during November 1984 and May 1985, and again during June 1985 from Ketchikan to the construction site located on Prince of Wales Island, Alaska.

This is a Severity Level IV Violation (Supplement VI).

- F. License Condition 12 states that licensed material shall be used by, or under the supervision and in the physical presence of, Clarence R. Clark, or any individuals who have completed the manufacturer's training course in the use of the devices and have been designated by Clarence R. Clark, Radiation Protection Officer. Also, License Condition 18 states that the licensee shall possess and use licensed material in accordance with statements, representations, and procedures contained in application dated March 12, 1984. Item 15, Section 1, of the application requires that the licensee's Radiation Protection Officer will maintain all records required by the license and NRC regulations including training certificates of individuals who have completed the manufacturer's training course in the use of moisture density gauges.

Contrary to the above requirements, at the time of inspection, licensed material was utilized by one employee who had not been designated as a user by the Radiation Protection Officer. Also, records were not maintained of the training received by this individual. A moisture density gauge containing licensed material was used by this employee during the months of June, July and August of 1985 at the Hydraburg Highway Project construction site on Prince of Wales Island, Alaska.

This is a Severity Level V Violation (Supplement VI).

- G. 10 CFR 30.51(a) requires that each person who receives byproduct material pursuant to a license issued pursuant to the regulations in this part and parts 31-35 shall keep records showing the receipt, transfer, and disposal of such material.

Contrary to the above requirement, at the time of inspection, records were not maintained of the receipt and transfer of licensed material which occurred on six separate occasions between April 1984 and June 1985.

This is a Severity Level V Violation (Supplement VI).

- H. 10 CFR 19.11(a) specifies that each licensee shall post current copies of the following documents: (1) 10 CFR Parts 19 and 20, (2) the license, license conditions or documents incorporated into the license by reference and amendments thereto, and (3) the operating procedures applicable to the licensed activities. 10 CFR 19.11(b) states that if posting of the documents specified in 10 CFR 19.11(a) is not practicable, the licensee may post a notice which describes the document and states where they may be examined.

Contrary to the above requirements, at the time of inspection, neither the posting of documents required by 10 CFR 19.11(a) nor the notice authorized by 10 CFR 19.11(b) were posted at the licensee's storage location for the gauge in Ketchikan, Alaska. Also, at the time of inspection, 10 CFR Parts 19 and 20 were not maintained for the purpose of examination by licensee employees.

This is a Severity Level V Violation (Supplement VI).

- I. 10 CFR 19.11(c) and (d) requires that NRC Form-3, "Notice to Employees", shall be posted by the licensee in a sufficient number of places to permit individuals engaged in licensed activities to observe them on the way to or from any particular licensed activity location.

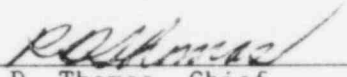
Contrary to the above requirement, at the time of inspection, Form NRC-3 was not posted at the licensee's facility in Ketchikan, Alaska.

This is a Severity Level V Violation (Supplement VI).

Pursuant to the provisions of 10 CFR 2.201, South Coast, Inc. is hereby required to submit to this office within thirty days of the date of this Notice, a written statement or explanation in reply, including: (1) the corrective steps which have been taken and the results achieved; (2) corrective steps which will be taken to avoid further items of noncompliance; and (3) the date when full compliance will be achieved. Consideration may be given to extending your response time for good cause shown.

OCT 01 1985

Dated



R. D. Thomas, Chief
Nuclear Materials Safety Section