



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
1600 EAST LAMAR BOULEVARD
ARLINGTON, TEXAS 76011-4511

May 19, 2020

EA-20-046

Joey Rentrop
Corporate Radiation Safety Officer
Bayou Inspection Services, Inc.
318 DeGravell Rd
Amelia, LA 70340

SUBJECT: BAYOU INSPECTION SERVICES, INC. - NRC INSPECTION
REPORT 150-00017/2020-002

Dear Mr. Rentrop:

This letter refers to our in-office document review of information submitted by Bayou Inspection Services to the U.S. Nuclear Regulatory Commission (NRC) on February 24, 2020, regarding performance of licensed activities in offshore waters. The records review, conducted between February 24 and April 16, 2020, related to activities performed under your NRC general license, which was granted under Title 10 of the *Code of Federal Regulations* (10 CFR) 150.20, "Recognition of Agreement State Licenses," to ensure compliance with NRC requirements. The enclosed report presents the results of the review. A final exit briefing was conducted telephonically with you on May 13, 2020.

Based on our review of the submitted information, one apparent violation was identified and is being considered for escalated enforcement action 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 apparent violation involved the failure to file a submittal containing an NRC Form 241, a copy of the Agreement State specific license, and the appropriate fee with the appropriate regional office at least 3 days prior to engaging in licensed activities in offshore waters for calendar year 2020.

Before the NRC makes its enforcement decision, we are providing you an opportunity to (1) respond to the apparent violation addressed in this inspection report within 30 days of the date of this letter, (2) request a pre-decisional enforcement conference (PEC), or (3) request alternative dispute resolution (ADR). If a PEC is held, it will be open for public observation and the NRC will issue a press release to announce the time and date of the conference. If you decide to participate in a PEC or pursue ADR, please contact Dr. Heather Gepford at (817) 200-1156 within 10 days of the date of this letter. A PEC should be held within 30 days and an ADR session within 45 days of the date of this letter.

If you choose to provide a written response, it should be clearly marked as a "Response to Apparent Violation in NRC Inspection Report 150-00017/2020-002; EA-20-046," and should include for each apparent violation: (1) the reason for the apparent violation or, if contested, the basis for disputing the apparent violation; (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 will be achieved.

Your response may reference or include previously docketed correspondence, if the correspondence adequately addresses the required response. Additionally, your response should be sent to the NRC's Document Control Center with identical copies mailed to Ms. Mary Muessle, Director, Division of Nuclear Materials Safety, Region IV, 1600 East Lamar Boulevard, Arlington, TX 76011, and emailed to R4Enforcement@nrc.gov, within 30 days of the date of this letter. If an adequate response is not received within the time specified or an extension of time has not been granted by the NRC, the NRC will proceed with its enforcement decision or schedule a PEC.

If you choose to request a PEC, the conference will afford you the opportunity to provide your perspective on these matters and any other information that you believe the NRC should take into consideration before making an enforcement decision. The decision to hold a PEC does not mean that the NRC has determined that a violation has occurred or that enforcement action will be taken. This conference would be conducted to obtain information to assist the NRC in making an enforcement decision.

The topics discussed during the conference may include information to determine whether a violation occurred, information to determine the significance of a violation, information related to the identification of a violation, and information related to any corrective actions taken or planned. In presenting your corrective action, you should be aware that the promptness and comprehensiveness of your actions will be considered in assessing any civil penalty for the apparent violations. The guidance in the enclosed excerpt from NRC Information Notice 96-28, "Suggested Guidance Relating to Development and Implementation of Corrective Action," may be helpful.

In lieu of a PEC, you may request ADR with the NRC in an attempt to resolve this issue. ADR is a general term encompassing various techniques for resolving conflicts using a third party neutral. The technique that the NRC has decided to employ is mediation. Mediation is a voluntary, informal process in which a trained neutral (the "mediator") works with parties to help them reach resolution. If the parties agree to use ADR, they select a mutually agreeable neutral mediator who has no stake in the outcome and no power to make decisions. Mediation gives parties an opportunity to discuss issues, clear up misunderstandings, be creative, find areas of agreement, and reach a final resolution of the issues.

Additional information concerning the NRC's program can be obtained at <http://www.nrc.gov/about-nrc/regulatory/enforcement/adr.html>. The Institute on Conflict Resolution at Cornell University has agreed to facilitate the NRC's program as a neutral third party. Please contact Institute on Conflict Resolution at 877-733-9415 within 10 days of the date of this letter if you are interested in pursuing resolution of this issue through ADR.

In addition, please be advised that the number and characterization of apparent violations described in the enclosed inspection report may change as a result of further NRC review. You will be advised by separate correspondence of the results of our deliberations on this matter.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure(s), 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

Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction.

If you have any questions concerning this matter, please contact Dr. Heather Gepford of my staff at (817) 200-1156.

Sincerely,

Mary C.

Muessle

Mary C. Muessle, Director
Division of Nuclear Materials Safety

Digitally signed by
Mary C. Muessle

Date: 2020.05.19
15:38:50 -05'00'

Docket No.: 150-00017
License No.: General License
under 10 CFR 150.20

Enclosure:
NRC Inspection Report 150-00017/2020-002

cc w/enclosure:
Jeff Dauzat, Administrator
State of Louisiana Radiation Program

**NUCLEAR REGULATORY COMMISSION
REGION IV**

Docket No.: 150-00017

License No.: General License under 10 CFR 150.20

Report No.: 150-00017/2020-002

EA No.: EA-20-046

Licensee: Bayou Inspection Services, Inc.
Amelia, Louisiana

Location Inspected: In-office review

Inspection Dates: In-office review February 24 - April 16, 2020

Exit Meeting Date: May 13, 2020

Inspector: Latischa M. Hanson, Health Physicist
Materials Licensing and Decommissioning Branch
Division of Nuclear Materials Safety

Approved by: Heather J. Gepford, Ph.D., CHP, Chief
Materials Licensing and Decommissioning Branch
Division of Nuclear Materials Safety

Attachment: Supplemental Inspection Information

Enclosure

EXECUTIVE SUMMARY

Bayou Inspection Services, Inc. NRC Inspection Report 150-00017/2020-002

Program Overview

Bayou Inspection Services, Inc. (licensee) is authorized under the State of Louisiana Radioactive Materials License LA-7112-L01 to possess and use byproduct material, including iridium-192, for industrial radiographic operations, and as of February 24, 2020, is authorized to perform these same licensed activities at temporary job sites in NRC jurisdiction under a general license pursuant to 10 CFR 150.20. (Section 1)

NRC In-Office Review Summary

One apparent violation was identified involving the licensee's failure to file an initial NRC Form 241, and pay the required reciprocity fee, prior to performing licensed activities in offshore waters for calendar year 2020. This apparent violation was identified when the licensee submitted an initial notification of planned work activities to be performed in NRC jurisdiction. The NRC staff determined that Bayou Inspection Services had not submitted an initial NRC Form 241, nor had the licensee paid the fee, prior to conducting work in offshore waters on February 16, 2020. (Section 2)

Corrective Actions

The licensee's immediate corrective action was to submit the appropriate information and required reciprocity fee to the NRC on February 18, 2020. The NRC subsequently granted the reciprocity request in a letter dated February 24, 2020. Long-term corrective actions are to be determined. (Section 3)

REPORT DETAILS

1 Program Overview

1.1. Program Scope

Bayou Inspection Services, Inc. (licensee) is authorized under the State of Louisiana Radioactive Materials License LA-7112-L01 to possess and use byproduct material, including iridium-192, for industrial radiographic operations at their main office and temporary job sites in the State of Louisiana.

Following receipt of the licensee's initial NRC Form 241 and reciprocity fee in the Region IV office on February 18, 2020, the licensee was authorized to perform industrial radiography at temporary job sites under a general license pursuant to 10 CFR 150.20, "Recognition of Agreement State Licenses."

1.2. Observations and Findings

Following review of the reciprocity information submitted by the licensee and researching the local database of initial NRC Form 241 requests/approvals, the NRC license reviewer determined that the licensee had not submitted an initial NRC Form 241, nor had the licensee paid the fee, for the work to be performed in calendar year (CY) 2020.

2 Findings

2.1 In-Office Review Scope

On February 24, 2020, the NRC regional license reviewer received an initial reciprocity notification dated February 18, 2020, for work to be performed in offshore waters from February 16-23, 2020. The license reviewer conducted document reviews and conducted interviews with licensee personnel to establish whether reciprocity could be granted.

On February 18, 2020, the licensee, a State of Louisiana licensee, filed an NRC Form 241 describing an initial notification of planned work activities. Specifically, industrial radiography was going to be performed in offshore waters on an oil/gas platform in the Alaminos Canyon, Block 772 in the Gulf of Mexico, from February 16-23, 2020.

Upon reviewing the information submitted by the licensee and researching the local database of initial NRC Form 241 requests/approvals, the license reviewer determined that the licensee had not submitted an initial NRC Form 241, nor had the licensee paid the fee for the work to be performed in CY 2020. Since work was performed in offshore waters beginning on February 16, 2020, the licensee was required to provide this information to the NRC by February 13, 2020.

2.2 Observation and Findings

Title 10 CFR 150.20(a)(1) requires, in part, that any person who holds a specific license from an Agreement State is granted a general license to conduct the same activity in areas of exclusive federal jurisdiction, subject to the provisions of 10 CFR 150.20(b).

Title 10 CFR 150.20(b)(1) requires, in part, that any person engaging in activities in areas of exclusive federal jurisdiction shall, at least 3 days before engaging in each activity for the first time in a calendar year, file a submittal containing an NRC Form 241, "Report of Proposed Activities in Non-Agreement States," a copy of its Agreement State specific license, and the appropriate fee with the Regional Administrator of the appropriate NRC regional office.

Contrary to the above, from February 16 through 18, 2020, the licensee, a licensee of the State of Louisiana, engaged in activities in offshore waters without filing a submittal containing an NRC Form 241, "Report of Proposed Activities in Non-Agreement States," a copy of its Agreement State specific license, and the appropriate fee with the Regional Administrator of the NRC Regional Office at least 3 days before engaging in each activity for the first time in a calendar year. Specifically, the licensee performed licensed activities in the Gulf of Mexico beginning on February 16, 2020, but did not submit an NRC Form 241, a copy of its Agreement State specific license, and the appropriate fee until February 18, 2020.

2.3 Conclusions

The NRC identified an apparent violation involving the licensee's failure to file an initial NRC Form 241, to provide a copy of the Agreement State specific license, and pay the reciprocity fee, prior to engaging in licensed activities in offshore waters beginning on February 16, 2020, as required by 10 CFR 150.20(b)(1). (AV 150-00017/2020-002)

3 **Corrective Actions**

The radiation safety officer for the licensee stated that his company was quite busy and he realized at the last minute that he needed to file. The radiation safety officer filed the documentation and paid the fee upon recognition of the oversight on February 18, 2020, after work had commenced.

The licensee's immediate corrective action was to submit the appropriate information and required reciprocity fee to the NRC on February 18, 2020. The NRC subsequently granted the reciprocity request in a letter dated February 24, 2020. Long-term corrective actions are to be determined.

4 **Exit Meeting Summary**

The license reviewer presented the preliminary findings at the commencement of the in-office review on February 24, 2020, with Joey Rentrop, Radiation Safety Officer, for the licensee. On May 13, 2020, a final telephonic exit meeting was conducted with Joey Rentrop, Radiation Safety Officer. The licensee acknowledged the findings and did not dispute any of the details presented during the exit call.

SUPPLEMENTAL INSPECTION INFORMATION

PARTIAL LIST OF PERSONS CONTACTED

Joey Rentrop, Radiation Safety Officer

INSPECTION PROCEDURES USED

87121 Industrial Radiography Programs

ITEMS OPENED, CLOSED, AND DISCUSSED

Opened

15000017/2020-01	AV	Failure to file an initial NRC Form 241 prior to engaging in licensed activities in offshore waters
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Closed

None

Discussed

None

BAYOU INSPECTION SERVICES, INC. - NRC INSPECTION REPORT 150-00017/2020-002 -
DATED May 19, 2020

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cc:

Jeff Dauzat, Administrator
State of Louisiana Radiation Program
602 North Street
Baton Rouge, LA 70802
jeff.dauzat@la.gov

ADAMS ACCESSION NUMBER: **ML20139A208**

<input checked="" type="checkbox"/> SUNSI Review by: LMH		ADAMS: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<input checked="" type="checkbox"/> Non-Sensitive <input type="checkbox"/> Sensitive		<input checked="" type="checkbox"/> Publicly Available <input type="checkbox"/> Non-Publicly Available		Keyword: NRC-002	
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NAME	LMHanson	HJGepford	JRGroom	DMCylkowski	MMuessle				
SIGNATURE	/RA/	/RA/	/RA/	/RA/	Mary C.				
DATE	5/14/2020	5/14/2020	5/14/2020	5/14/2020	Muessle				

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