



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

June 22, 2020

EA-20-046

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

SUBJECT: NOTICE OF VIOLATION, 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, Inc. 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, and the details regarding the apparent violation were provided in NRC Inspection Report 150-00017/2020-002, dated May 19, 2020, NRC's Agencywide Documents Access and Management System (ADAMS) Accession ML20139A208.

In the letter transmitting the inspection report, we provided you with the opportunity to address the apparent violation by either attending a predecisional enforcement conference, requesting alternative dispute resolution, or providing a written response before we made our final enforcement decision. In a letter dated June 8, 2020 (ADAMS Accession ML20164A281), you provided a written response to the apparent violation.

Based on the information developed during the inspection and the information that you provided in your response to the inspection report dated May 19, 2020, the NRC has determined that a violation of NRC requirements occurred. The violation is cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding it are described in detail in the subject inspection report. The 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.

The NRC considers the violation above to be a significant violation because the failure to file a submittal containing an NRC Form 241 and performing licensed activities in offshore waters prevents the NRC from inspecting these areas and ensuring that licensed material is being used safely and in accordance with NRC requirements. Therefore, the violation has been categorized in accordance with the NRC Enforcement Policy at Severity Level III. The

Enforcement Policy can be found on the NRC's website at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>.

In accordance with the NRC Enforcement Policy, a base civil penalty in the amount of \$15,000 is considered for a Severity Level III violation.

Because your facility has not been the subject of escalated enforcement actions within the last two inspections, 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 NRC Enforcement Policy. The NRC has determined that *Corrective Action* credit is warranted for your prompt and comprehensive corrective actions that included: prompt submittal of the Form 241, Agreement State specific license, and reciprocity fee after identifying that initial NRC Form 241 was not filed. Additionally, you amended your safety calendar to include a requirement in December of each year that the executive officers and the radiation safety officer meet to determine the likelihood of conducting offshore work in the coming year. You also prepared an offshore dispatch checklist which must be completed before any team is sent offshore, which includes a requirement to determine the status of your general license.

Therefore, to encourage 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 Severity Level III violation constitutes escalated enforcement action that may subject you to increased inspection effort.

The NRC has concluded that information regarding: (1) the reason for the violation; (2) the corrective actions that have been taken and the results achieved; and (3) the date when full compliance was achieved is already adequately addressed on the docket in your letter dated June 8, 2020, and NRC Inspection Report 150-00017/2020-002. 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 "Agency Rules of Practice and Procedure," a copy of this letter, its enclosure, and your response, if you choose to provide one, will be made available electronically for public inspection in the NRC Public Document Room or in the NRC's ADAMS, accessible from the website at <http://www.nrc.gov/reading-rm/adams.html>. The NRC also includes significant enforcement actions on its website at <http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions>.

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

Sincerely,

Scott A. Morris
Regional Administrator

Docket No. 150-00017
License No. General License

Enclosure:
Notice of Violation

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

NOTICE OF VIOLATION, NRC INSPECTION REPORT 150-00017/2020-002- DATED
JUNE 22, 2020

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Cvr Ltr & All Encl: ADAMS ACCESSION NUMBER: **ML20174A586**

☒ SUNSI Review: JGK

ADAMS:

☐ Non-Publicly Available

☒ Non-Sensitive

Keyword: By:

☒ Yes ☐ No

☒ Publicly Available

☐ Sensitive

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NOTICE OF VIOLATION

Bayou Inspection Services, Inc.
Amelia, LA

Docket No. 150-00017
License No. General License
EA-20-046

During an in-office NRC review conducted on February 24, to April 16, 2020, one violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

10 CFR 150.20(a)(1) states, 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 offshore waters subject to the provisions of 10 CFR 150.20(b).

10 CFR 150.20(b)(1) requires, in part, that any person engaging in activities in offshore waters 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, on February 20, 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 20, 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.

This is a Severity Level III violation (NRC Enforcement Policy Section 6.9.c.2(c)).

The NRC has concluded that information regarding: (1) the reason for the violations; (2) the corrective actions that have been taken and the results achieved; and (3) the date when full compliance was achieved is already adequately addressed on the docket in your letter dated June 8, 2020, and NRC Inspection Report 150-00017/2020-002.

However, if the description therein does not accurately reflect your position or your corrective actions, you are required to submit a written statement or explanation pursuant to 10 CFR 2.201 within 30 days of the date of the letter transmitting this Notice of Violation (Notice). In that case, or if you choose to respond, clearly mark your response as a "Reply to a Notice of Violation; EA-20-046," and send it to U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001, with a copy to the Regional Administrator, U.S. Nuclear Regulatory Commission, Region IV, 1600 East Lamar Blvd., Arlington, Texas 76011-4511.

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001.

If you choose to respond, your response will be made available electronically for public inspection in the NRC Public Document Room or in the NRC's ADAMS, accessible from the

Enclosure

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.

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days of receipt.

Dated this 22nd day of June 2020