



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

October 5, 2018

EA-18-103

Mr. Wayne A. Eddins  
Radiation Safety Officer  
Alliance Engineering Group, Inc.  
200 Mustang Cove  
Taylor, TX 76574

SUBJECT: NRC INSPECTION REPORT 150-00042/2018-001 AND NOTICE OF VIOLATION

Dear Mr. Eddins:

This letter refers to our in-office inspection conducted between June 20 and October 5, 2018, 2018. The purpose of the inspection was to review activities performed under your U.S. Nuclear Regulatory Commission (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 in accordance with NRC requirements. The inspector discussed the preliminary inspection findings with you on July 10, 2018. A final exit briefing was conducted telephonically with you on October 5, 2018, 2018.

During this inspection, the NRC staff examined activities conducted under your general license as they relate to public health and safety and to the security of licensed material. Additionally, the staff examined your compliance with the Commission's rules and regulations. Within these areas, the inspection consisted of a review of representative records and telephonic and electronic communications.

Based on the results of this inspection, the NRC has determined that one Severity Level IV violation of NRC requirements occurred. The violation is cited in the enclosed Notice of Violation (Notice). 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 3 days prior to engaging in licensed activities in areas of exclusive Federal jurisdiction. The violation was evaluated in accordance with the NRC Enforcement Policy. The current Policy is located on the NRC's website at <https://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The violation is cited in the enclosed Notice of Violation (Notice) with a description of the circumstances surrounding the violation.

In accordance with the NRC Enforcement Policy, a Severity Level III violation was considered for the failure to file an NRC Form 241 prior to engaging in licensed activities in NRC jurisdiction. However, in this case, several factors were considered to disposition this violation as a Severity Level IV violation. The factors included: (1) the licensed activity was not of a type designated as a NRC Priority 1, 2, or 3 inspection; (2) the licensee had appropriately filed an NRC Form 241 in previous years, and had no past history of violating the requirement; (3) the

facts of this specific case would not have resulted in the NRC conducting an onsite inspection; (4) the licensee self-identified and reported the failure to file; (5) there was a very low safety significance associated with the failure; and (6) the licensee has a clear inspection history with the Agreement State.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. If you have additional information that you believe the NRC should consider, you may provide it in your response to the Notice. The NRC review of your response to the Notice will also determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter, its enclosures, and your responses, 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 or proprietary information so that it can be made available to the public without redaction.

Should you have any questions concerning this inspection, please contact Michelle Hammond of my staff at 817-200-1127 or the undersigned at 817-200-1455.

Sincerely,

/RA/

Michael Hay, Chief  
Materials Licensing & Inspection Branch

Docket No. 150-00042  
License: 10 CFR 150.20

Enclosure: Notice of Violation

cc w/Enclosure:  
Charlotte Sullivan, Manager  
State of Texas Radiation Control Program

Distribution

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ADAMS ACCESSION NUMBER: **ML18278A223**

SUNSI Review: ADAMS:  Non-Publicly Available Non-Sensitive Keyword:  
 By: ABB  Yes  No  Publicly Available  Sensitive

OFFICE	MLIB	C:MLIB	TL:ACES	OE	NMSS	C:MILB
NAME	ABolger	MHay	MVasquez	SHoliday	RSun	MHay
SIGNATURE	/RA/	/RA/	/RA/ JGK for	/RA/ E	/RA/ E	/RA/
DATE	10/5/18	09/17/18	09/21/18	10/02/18	10/03/18	10/5/18

**OFFICIAL RECORD COPY**

## NOTICE OF VIOLATION

Alliance Engineering Group, Inc.  
Taylor, Texas

Docket No. 150-00042  
License No. 10 CFR 150.20  
EA-18-103

During an NRC in-office inspection conducted between June 20 and October 5, 2018, 2018, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

10 CFR 30.3(a) requires, in part, that no person shall receive, acquire, own, possess, or use byproduct material except as authorized in a specific or general license issued in accordance with the regulations in 10 CFR Chapter I.

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 NRC license to conduct the same activity in areas of exclusive Federal jurisdiction within Agreement States.

10 CFR 150.20(b)(1) requires, in part, that any person engaging in activities in areas of exclusive Federal jurisdiction within Agreement States 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 NRC regional office.

Contrary to the above, from January 8 through June 18, 2018, Alliance Engineering Group, Inc., a licensee of the State of Texas, engaged in activities in exclusive Federal jurisdiction within an Agreement State 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, Alliance Engineering Group, Inc. performed licensed activities at Fort Hood, Texas beginning on January 8, 2018, but did not file a submittal containing an NRC Form 241, a copy of its Agreement State specific license, and the appropriate fee until June 20, 2018. Since work was performed in Federal jurisdiction beginning on January 8, 2018, the licensee was required to provide this information to the NRC on or before January 5, 2018.

This is a Severity Level IV violation (NRC Enforcement Policy Section 6.9).

Pursuant to the provisions of 10 CFR 2.201, Alliance Engineering Group, Inc., is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001, with a copy to the Regional Administrator, Region IV, 1600 E. Lamar Blvd., Arlington, TX 76011-4511, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation; EA-18-103" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation or severity level; (2) the corrective steps that have been taken and the results achieved; and (3) the corrective steps to prevent reoccurrence. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response.

Enclosure

Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

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, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

Because your response 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, it should not include any personal privacy or proprietary information so that it can be made available to the public without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information.

If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information).

In accordance with 10 CFR 19.11, you may be required to post this Notice within 2 working days of receipt.

Dated this 5<sup>th</sup> day of October 2018