



March 23, 2007

ATTN: Document Control Desk
United States Nuclear Regulatory Commission
Washington, DC 20555

Regarding: **Reply to a Notice of Violation**

NSF International License No. 21-15209-01 Docket No. 030-08793

Dear Madam/Sir,

In response to the Notice of Violation (dated February 26, 2007) received from the United States Nuclear Regulatory Commission from the inspection conducted on February 14 and 15, 2007, herein please find our response.

NSF International received two violations:

Violation 1) Title 10 Code of Federal Regulations (CFR) 30.36 (d)(3) requires, in part, that the licensee notify the NRC within 60 days if no principal activities under the license have been conducted for a period of 24 months.

Contrary to the above, as of February 15, 2007, the licensee did not notify the NRC that no principal activities under the license have been conducted for a period of 24 months. Specifically, the licensee failed to notify the NRC that it had not conducted principal activities since 2000.

1. Reason for violation: The laboratory ceased its principle activities, under the license at the time, in early 2000. The laboratory did plan on expanding its scope of radiological work, as evidenced by the amendment to the NRC license in 2002 but the work never came to fruition. Management did not have processes to ensure licensure requirements were maintained with respect to inactivity.
2. Corrective actions taken: NSF International is concurrently in the process of decommissioning its facility and terminating its license with respect to radiologicals and the NRC. The following demonstrates the activities NSF International will execute in order to fulfill its requirements to terminate its license:
 - NSF has begun the disposal and survey process and anticipates completion by May 31, 2007.
 - NSF has signed a service agreement with a contracted firm to assist with the disposal of materials and surveying of the laboratory. The scope of work and tentative action plan is as follows:
 - All standards are in the process of removal from NSF International.
 - A radiological final status survey will be conducted at a laboratory in the NSF facility, located in Ann Arbor, Michigan.

March 23, 2007

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License No. 21-15209-01

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- o Develop a site specific final status survey plan that follows the recommendations of MARSSIM (Multi-Agency Radiation Survey and Site Investigation Manual), and that is suitable for submittal to applicable regulatory agencies for their review and approval;
 - o Conduct the final status radiation surveys pursuant to the provisions of the plan;
 - o Prepare a final status survey report that summarizes the project, including personnel qualifications, objectives, measurement methods, data reduction methods, all analytical and measurement results (including Certificates of Analysis), an interpretation of the results, a comparison of the findings to applicable state and federal regulatory criteria, and a statement as to whether the laboratories may be released for unrestricted use (i.e., without regard for radiological constituents); and
 - o Prepare, for the NSF Radiation Safety Officer's signature, an application to terminate the radioactive materials license.
3. Corrective steps to be taken to avoid further violations: The termination of NSF International's license will negate any further necessary actions.
4. Date of full compliance: Full compliance will be met upon the termination of the organization's license; date to be determined by the Nuclear Regulatory Commission. NSF International intends on submitting a formal termination package to the NRC by May 31, 2007.

Violation 2) License Condition 11 of NRC License No. 21-15209-01 names a specific individual as the Radiation Safety Officer (RSO) for this license
 Contrary to the above, as of February 15, 2007, the licensee did not notify the named individual was not employed by the licensee and has not served as the RSO for this license.

1. Reason for violation: Previously assigned RSO had departed the organization and was the sole manager of the radiological program. Management did not have processes to ensure RSO designation would be re-assigned as the organization was not operating, performing any activity with regard to the use of radiologicals.
2. Corrective actions taken: In response to the violations, NSF International has begun the process of terminating its license and properly disposing of the radioactive material currently on site. John McGaugh has been named the interim Radiation Safety Officer (see attached letter dated February 20, 2007) while the decommissioning activities are undertaken. Mr. McGaugh was selected as he had been identified as a person of use in the Conditions of NSF International's license.
3. Corrective steps to be taken to avoid further violations: The RSO designation of Mr. McGaugh will expire upon the termination of NSF International's license.
4. Date of full compliance: Full compliance will be met upon the termination of the organization's license; date to be determined by the Nuclear Regulatory Commission.

As aforementioned, NSF has begun the disposal and survey process and anticipates completion by May 31, 2007. After the completion of these activities, NSF will request a formal termination of its current license.

Please review this response and if there are any questions or concerns, please feel free to contact Craig S. Morr or me.

Contact information for Craig Morr:

Craig S. Morr, CEI/CEM
Quality Assurance & Organizational Safety Manager
Email: cmorr@nsf.org
Phone: 734-769-5143

Enclosed: Copy of NRC Inspection report
Copy of interim RSO designation

Sincerely,



Lori Bestervelt, Ph.D.
Senior Vice President and Chief Technical Officer
NSF International
789 N. Dixboro Rd
Ann Arbor, MI 48105
Email: bestervelt@nsf.org
Phone: 734-769-5345

cc: Regional Administrator, Region III, Mr. James Caldwell



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION III
2443 WARRENVILLE ROAD, SUITE 210
LISLE, ILLINOIS 60532-4352

February 26, 2007

COPY

Lori Bestervelt
Senior Vice President and Chief Technical Officer
NSF International
789 Dixboro Rd.
Ann Arbor, MI 48105

SUBJECT: NRC INSPECTION REPORT 030-08793/07-01(DNMS) AND NOTICE OF VIOLATION - NSF INTERNATIONAL

Dear Ms. Bestervelt:

This refers to the NRC inspection conducted on February 14 through 15, 2007, at your facility in Ann Arbor, Michigan. This inspection was an examination of activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of your license. Within these areas, the inspection consisted of verification of the security and use of licensed material, review of representative records, and interviews with personnel.

Based on the results of this inspection, the NRC has determined that two Severity Level IV violations of NRC requirements occurred. The violations were evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Web site at www.nrc.gov; select **What We Do, Enforcement**, then **Enforcement Policy**.

The violations are cited in the enclosed Notice of Violation (Notice). The first violation involved the failure to provide a written notification to the NRC to indicate that you have not conducted principal activities since 2000, a period greater than 24 months (in accordance with 10 CFR 30.36(d)(3)). The second violation involved the failure to have a named individual serving as a Radiation Safety Officer (RSO) since February 2006.

Due to the limited scope of your program and your commitment to appoint an individual as the point of contact until you begin decommissioning activities and request a termination of the license, the violations are characterized as Severity Level IV.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. For your consideration and convenience, an excerpt from NRC Information Notice 96-28, "Suggested Guidance Relating to Development and Implementation of Corrective Action," is enclosed. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

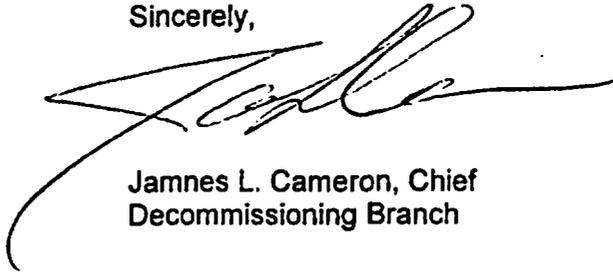
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L. Bestervelt

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In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosures, and your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document 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.

Sincerely,



James L. Cameron, Chief
Decommissioning Branch

Docket No. 030-08793
License No. 21-15209-01

Enclosures:

1. Notice of Violation
2. NRC Information Notice 96-28

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NOTICE OF VIOLATION

**NSF International
Ann Arbor, Michigan**

**Docket No. 030-08793
License No. 21-15209-01**

During an NRC inspection conducted on February 14 through 15, 2007, two violations of NRC requirements were identified. In accordance with the NRC Enforcement Policy, the violations are listed below:

1. Title 10 Code of Federal Regulations (CFR) 30.36(d)(3) requires, in part, that the licensee notify the NRC within 60 days if no principal activities under the license have been conducted for a period of 24 months.

Contrary to the above, as of February 15, 2007, the licensee did not notify the NRC that no principal activities under the license have been conducted for a period of 24 months. Specifically, the licensee failed to notify the NRC that it had not conducted principal activities since 2000.

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

2. License Condition 11 of NRC License No. 21-15209-01 names a specific individual as the Radiation Safety Officer (RSO) for this license.

Contrary to the above, as of February 2006, the named individual was not employed by the licensee and has not served as the RSO for this license.

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

Pursuant to the provisions of 10 CFR 2.201, NSF International is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555, with a copy to the Regional Administrator, Region III, 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" and should include an explanation to either terminate the license or justify keeping it active (i.e. plans to conduct licensed activities in the near future)). In addition, the response should include for the violations: (1) the reason for the violations, or, if contested, the basis for disputing the violations or severity level, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. 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.

Enclosure 1

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Notice of Violation

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Because your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document 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, proprietary, or safeguards 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). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

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

Dated this 26th day of February 2007

Enclosure 1



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February 20, 2007

Effective immediately upon signature approval, Jon McGaugh is formally appointed to the role of Radiation Safety Officer for matters concerning NSF International's responsibilities in the handling and utilization of radioactive materials. In this capacity, Jon McGaugh will be responsible to ensure that NSF International requirements are effectively sustained in accordance with federal regulations and report any pertinent performance matters to Laboratory and Quality Management on a periodic basis.

Mr. McGaugh will continue to maintain his current responsibilities for NSF International.



Jon McGaugh
Specialist, Engineering Laboratory

2/21/07
Date



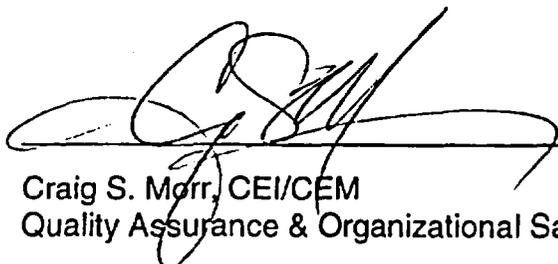
Robert Frayer, Jr., P.E.
Director, Engineering Laboratory

2/21/07
Date



Lori Bestervelt, Ph.D.
Senior Vice President and Chief Technical Officer

2/27/07
Date



Craig S. Morr, CEI/CEM
Quality Assurance & Organizational Safety Manager

20FEB2007
Date