

October 24, 2008

George Kiiskila, Vice President  
U.P. Engineers & Architects, Inc.  
100 Portage Street  
Houghton, MI 49931

SUBJECT: NRC ROUTINE INSPECTION REPORT 030-18186/08-01(DNMS) AND  
NOTICE OF VIOLATION – U. P. ENGINEERS & ARCHITECTS, INC.,  
DATED OCTOBER 17, 2008

Dear Mr. Kiiskila:

This refers to the inspection conducted on September 24 and 26, 2008, with continuing NRC review through October 7, 2008. The continuing in-office review included a review of your personal dosimetry records and other submitted documentation. The inspection findings were documented in the subject letter and Notice of Violation (Notice) dated October 17, 2008, which indicated that one violation was cited for failure to notify the appropriate NRC Regional Office that a moisture density gauge containing licensed material had been stored at the licensee's Sault Saint Marie, Michigan, location for a period in excess of 180 days in accordance with Title 10 Code of Federal Regulations (CFR) Part 34.101(c). Based on further review, the NRC has determined that the requirements stated in 10 CFR Part 34, do not apply to your program as indicated in our October 17, 2008, correspondence, and is, therefore, being retracted. The issue has been incorporated, however, in the enclosed Notice as another example of licensed material being used and stored at an unauthorized location in Sault Saint Marie, Michigan, because this location was being used as a permanent storage facility which was not authorized on your license.

The 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 selected examination of procedures and representative records, observations of activities, and interviews with personnel.

The NRC has determined, therefore, that one Severity Level IV violation of NRC requirements occurred which involved the relocation of three moisture density gauges containing licensed material from your Norway, Michigan location in July 2008, to an unauthorized company facility in Iron Mountain, Michigan, in July 2008. Further, one moisture density gauge containing licensed material was stored at an unauthorized corporate location in Sault Saint Marie, Michigan, from approximately January through September 2008. The reason for the violation was an apparent lack of understanding of this requirement.

The violation was evaluated 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/enforcement-pol.html>. The violation is cited in the enclosed Notice. The violation is being cited in the Notice because it was identified by the inspector.

As corrective action, you submitted a request for a license amendment dated September 29, 2008, to establish the Iron Mountain and Sault Saint Marie, Michigan, facilities as additional authorized locations of use and storage. This request is currently under review by the Region III Materials Licensing Branch.

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken or planned to correct the violation and prevent recurrence is already adequately addressed on the docket in this letter. Therefore, you are not required to respond to this letter unless the description herein 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 "Rules of Practice," a copy of this letter, its enclosure, and your response will be 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.

We appreciate your cooperation and will gladly discuss any questions you have concerning this inspection.

Sincerely,

*/RA/*

John R. Madera, Chief  
Materials Inspection Branch

Docket No. 030-18186  
License No. 21-20275-01

Enclosure:  
Revised Notice of Violation

cc w/end: Gerald M. Allan, Radiation Safety Officer

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See next page

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Letter to George Kiiskila from John R. Madera dated October 24, 2008

SUBJECT: NRC ROUTINE INSPECTION REPORT 030-18186/08-01(DNMS) AND  
NOTICE OF VIOLATION – U. P. ENGINEERS & ARCHITECTS, INC.,  
DATED OCTOBER 17, 2008

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## NOTICE OF VIOLATION

U. P. Engineers & Architects, Inc.  
Houghton, Michigan

Docket No. 030-18186  
License No. 21-20275-01

During an NRC inspection conducted on September 24 and 26, 2008, with continuing NRC review through October 7, 2008, one violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

Condition 10 of License No. 21-20275-01 states, in part, that licensed material may be stored at the licensee's facilities located at 91 North Portage Street, Houghton, Michigan and 611 Main Street, Norway, Michigan.

Contrary to the above, in July 2008, the licensee relocated three moisture density gauges containing licensed material from 611 Main Street, Norway, Michigan, to an unauthorized corporate location at 2906 N. Stephenson Avenue, Iron Mountain, Michigan. In addition, from approximately January through September 2008, the licensee stored a moisture density gauge containing licensed material at an unauthorized location in Sault Saint Marie, Michigan.

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

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to be taken to correct the violation and prevent recurrence, and the date when full compliance was achieved, is already adequately addressed on the docket in the letter transmitting the Notice of Violation (Notice). However, you are required to submit a written statement or explanation pursuant to 10 CFR 2.201 if the description therein does not accurately reflect your corrective actions or your position. In that case, of if you choose to respond, clearly mark your response as a "Reply to a Notice of Violation," and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001 with a copy to the Regional Administrator, Region III, within 30 days of the date of the letter transmitting this Notice.

If you choose to respond, 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>. Therefore, to the extent possible, the response should not include any personal privacy, proprietary, or safeguards 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.

Dated this 24th day of October 2008

Enclosure