



American Radiolabeled
Chemicals, Inc.

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13 May 2010

Administrator, Region III
U.S. Nuclear Regulatory Commission
2443 Warrenville Road, Suite 210
Lisle, IL 60532-4352

Reference: Docket No 030-20567
License No: 24-21362-01

Subject: Reply to Notice of Violation

Gentlemen,

Enclosed you will find a copy of American Radiolabeled Chemicals reply to the Notice of Violation dated 16 April 2010.

The original has been sent to the Document Control Desk in Washington, DC

Thank you for your attention in this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Surendra K. Gupta', with a small mark at the end.

Surendra K. Gupta, PhD
President
American Radiolabeled Chemicals

RECEIVED MAY 17 2010

American Radiolabeled Chemicals, Inc (ARC)
Reply to USNRC
Notice of Violation (NOV)

Docket No. 030-20567

License No. 24-21362-01

During a Nuclear Regulatory Commission (NRC) inspection conducted on November 16 through 20 2009 identified an Open Item. Subsequent evaluation resulted in this Open Item becoming a Severity Level IV violation

ARC does not contest the violation, and admits that the listed actions did occur.

ARC will discuss the occurrence stating the reason for the occurrence; corrective actions taken; the results of these actions; action to prevent recurrence; and the date for full compliance. For clarity and to prevent confusion, the text from the NOV will be quoted, followed by ARC's reply.

10 CFR 30.34(c) requires, in part, that each licensee confine his possession and use of byproduct materials to the locations and purposes authorized by the license. License Item 9 "Authorized Use" of License No. 24-21362-01, Amendment 39, dated March 13, 2009, limits the use of licensed materials for the manufacture and synthesis of radiolabeled chemicals for distribution.

Contrary to the above, between August 1 and August 20, 2009, the licensee failed to limit the use of licensed material to the manufacture and synthesis of radiolabeled chemicals for distribution. Specifically, the licensee performed excavation of 1,800 pounds of contaminated soil containing hydrogen-3 and carbon-14, which is a use and purpose not authorized by the American Radiolabeled Chemicals (ARC) license.

ARC does not contest the original finding.

Cause

An area adjacent to building 200 on the south side of the driveway was the lowest point in this area. There had been a spill in 2008 which after many rain and snow storms had collected at this low point. The highest soil analysis result obtained by

the NRC during the 2008 inspection was used to characterize the area. ARC was planning on re-sodding this area and did not wish to bury the contaminated soil.

The contaminated soil was removed and an area surrounding the low point (about ten square meters) was also removed to ensure all contamination was removed.

All of the soil was assumed to be evenly contaminated to the level of the highest NRC sample. All of the soil was shipped as Rad Waste.

Corrective Actions

A license amendment has been made to characterize the site.

An additional amendment request has been submitted to permit excavation for a foundation slab for an additional liquid nitrogen tank.

Procedures are being revised in support of a further license amendment to cover all future actions subsequent to completion of the site characterization.

Actions to prevent recurrence

ARC will undertake no additional excavation of any type until all pending license actions are completed and approved.

Full compliance

ARC feels that full compliance will be achieved with completion of all pending license actions including the request for renewal.

FEDEX

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ORIGIN ID: ZSVA (314) 991-4545
SURENDRA GUPTA
AMERICAN RADIOLABELED CHEMICAL
101 ARC DRIVE

SHIP DATE: 14MAY10
ACTWGT: 0.2 LB MAN
CRD: 0747982/CAFE2452

ST. LOUIS, MO 63146
UNITED STATES US

BILL SENDER

TO ADMINISTRATOR REGION 3

U.S. NUC. REGULATORY COMMISSION
2443 WARRENVILLE ROAD, SUITE 210
LISLE IL 605324352

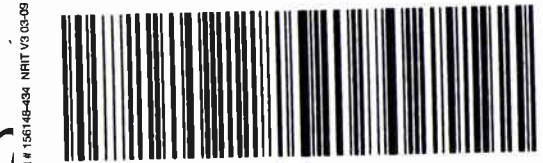
DEPT: NOTICE



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The World On

Envelope

For FedEx Express® Shipments Only

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