



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
2443 WARRENVILLE ROAD, SUITE 210
LISLE, ILLINOIS 60532-4352

JUN 30 2010

Douglas Cooper
Radiation Safety Officer
Orchard, Hiltz, & McCliment (OHM)
P.O. Box 9
Houghton, MI 49930

Dear Mr. Cooper:

Enclosed is your NRC Material License No. 21-32793-01 in accordance with your request..

Please review the enclosed document carefully and be sure that you understand all conditions. If there are any errors or questions, please notify the U.S. Nuclear Regulatory Commission, Region III office at (630) 829-9887 so that we can provide appropriate corrections and answers.

There were two critical discrepancies identified in your correspondence with us that we must resolve at this time.

Your application dated March 23, 2010, requested authorization for what appeared to be a single gauging device containing 4.5 millicuries of radium-226 in a Seaman Nuclear Model "C-75." After much searching we discovered this device in the NRC's Sealed Source and Device Registry (SSDR) under the distributor's names, Soiltest.

The registration number you provided us in the faxed letter dated June 28, 2010, does not correspond with the registration number for the Model C-75 device. So we authorized the C-75 device as you originally requested.

In addition, during the pre-licensing site visit performed by Materials Inspector Michael LaFranzo at your Houghton, Michigan facilities on June 22, 2010, we learned that you are in possession of two Seaman Nuclear Model C-75 gauging devices, not just one, as you requested in your application dated March 23, 2010.

You indicated that the second gauge was a rental device and so you did not include it. Please be advised that, regardless of whether your company owns the gauges or rents them, they must be appropriately licensed.

I noted that your application dated March 23, 2010, contained a few sections that were less than complete. As a result, I added and/or enhanced Condition Nos. 17, 22 and 23.

In general, it is best to use the NUREG 1556 Vol. 1, Rev. 1, "Consolidated Guidance about Materials Licenses: Program-Specific Guidance about Portable Gauge Licenses," for the preparation of all licensing correspondence. Appendix B is a handy checklist that you can use by making a direct copy and filling in the appropriate pre-printed responses when making changes to your licensed program.

D. Cooper

Please be advised that this document has certain sections that have been superseded by more recent NRC policies and the guidance is undergoing revision soon.

In the meantime, please note the following, which were incorporated into this review:

Certain sections of this NUREG have been modified since its last revision, as noted below:

- 1. We now require a total possession limit for each radionuclide requested, as well as providing the "per source" activity you need, which should match the Sealed Source and Device Registry certificate procured by the vendor. Please provide this information and it is acceptable to request more sealed sources than you may actually need immediately, to allow for some growth, so long as the request is reasonable and realistic.**
- 2. You will not be able to change and name your RSO internally; NRC must do that for you via the amendment process. For future reference only, please include the name and qualifications of your proposed RSO and a written, signed and dated statement that stipulates your proposed RSO accepts the RSO position and understands the duties and responsibilities associated with the position.**

Each proposed RSO must be qualified in accordance with the guidance in NUREG 1556, Vol 1, Rev. 1, Section 8.7, Item 7: Individual(s) Responsible for Radiation Safety Program and Their Training and Experience.

In addition, for future reference, it is best to submit a "Delegation of Authority" for your Radiation Safety Officer (RSO) that is signed and dated by the RSO and senior management. NUREG 1556 Vol. 1, Rev. 1, "Consolidated Guidance about Materials Licenses: Program-Specific Guidance about Portable Gauge Licenses," enclosed, can be found at:

<http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1556/v1/r1/sr1556v1r1.pdf>

Appendix E in the above-referenced guidance document should be consulted for assistance in this regard.

I noted that all correspondence we received for this new license that was signed by you was signed with a very abbreviated "signature/initials." In order to ensure the security of our licensees and protect the licenses we administer, please legibly sign your complete first and last name for all future correspondence.

In addition, if you are not a senior management official, it is best to have a senior management official co-sign all correspondence to us, as the NRC license is issued to

D. Cooper

senior management and it is imperative that senior management agrees with all changes made to the license.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be 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>.

You will be periodically inspected by NRC. Failure to conduct your program in accordance with NRC regulations, license conditions, and representations made in your license application and supplemental correspondence with NRC will result in enforcement action against you. This could include issuance of a notice of violation, or imposition of a civil penalty, or an order suspending, modifying or revoking your license as specified in the General Statement of Policy and Procedure for NRC Enforcement Actions. Since serious consequences to employees and the public can result from failure to comply with NRC requirements, prompt and vigorous enforcement action will be taken when dealing with licensees who do not achieve the necessary meticulous attention to detail and the high standard of compliance which NRC expects of its licensees.

Sincerely,



Michael G. Herr, CHP
Materials Licensing Branch

License No. 21-32793-01
Docket No. 030-38284

Enclosures:

1. License No. 21-32793-01
2. New license package