



August 20, 2010

Steven A. Reynolds, Director
United States Nuclear Regulatory Commission
Division of Nuclear Materials Safety
U.S. NRC Region III
2443 Warrenville Road, Suite 210
Lisle, Illinois 60532-4352

SUBJECT: Response to Apparent Violation in Inspection Report No. 030-05154/2010-001 (DNMS); EA-10-135

Dear Director Reynolds:

This is in response to two apparent violations as communicated by the Nuclear Regulatory Commission (Commission) to ABC Laboratories in your recent inspection report.

With regard to the first apparent violation, the failure to notify the NRC staff within 60 days of the decision to cease operations in Buildings D and F, ABC Laboratories acknowledges that no formal notification was given within 60 days. This resulted from a lack of understanding as to the requirements of 10 CFR. 30.36 with regard to a separate building on a licensed site, and was simply not understood as a required notification. It is now clear to us that a decision to cease principal operations in a separate building with residual radioactivity such that it is unsuitable for release under NRC's requirements does require such a notification. The Commission was made aware of the intentions to cease licensed activities for Buildings D and F upon realization of this need. Written notification was given on July 14, 2010 for Building D and on June 29, 2010 for Building F. In addition, we have retained a more qualified RSO. We have previously submitted the new RSO's credentials and experience to the Commission for approval, and the Commission staff has granted approval orally, with the written approval to be forthcoming. ABC Laboratories at all levels - both management and at the RSO level - are now very aware of this requirement and can assure the Commission that any necessary future notification will occur in a timely manner.

With regard to the second apparent violation, the undertaking of aggressive removal procedures of contaminated material without the Commission's approval, and without a work plan or safety evaluation in place, ABC Laboratories acknowledges that contaminated material was cut through. The workers at the time believed that this was within the allowed scope of work, and there was not immediate RSO or

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managerial supervision at the time. Any ABC employee involved has been instructed in the policy to obtain the approval of the RSO for any non routine work, including any form of cutting, surface abrasion or other manner of decommissioning processing potentially generating exposure to contaminated material. We have also enlisted the help of an expert consultant to provide additional advice. A work plan for the decommissioning of Building D has been developed, and approved by ABC Labs and verbally consented to by the Commission, and the contractor is now doing the work (16AUG10); no ABC employees are now doing the decontamination work in Building D. We anticipate that no further aggressive action will take place outside that approved work plan, and if such actions are necessary to complete the decontamination efforts of Building D, the work plan will be amended - with NRC staff and RSO review - to ensure adequate consideration of worker safety and contamination control.

To better meet future compliance the management of ABC Laboratories has been made very aware of the notification requirement, and as noted above a more experienced RSO has been retained and will be routinely consulted in all related matters. In addition the work plan now in place requires RSO approval of any cuts or other necessary actions to be made in non-contaminated areas and we do not anticipate that any other aggressive actions will be undertaken without appropriate review and approval as referred to above.

As we work to decontaminate some of our older laboratories, we very much appreciate the involvement of the Commission's staff. Although we have faced some challenges because of changes in our RSO staffing, we are confident that with our current RSO we are equipped to go forward in full compliance with our obligations under our Commission license and applicable regulations and guidance.

Regards,

ANALYTICAL BIO-CHEMISTRY LABORATORIES, INC.

By: Scott Ward

Scott Ward
SVP & General Manager, Chemical Services
Chair, Radiation Safety Committee