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

TELEFAX TRANSMITTAL

DATE: July 31, 2007 NUMBER OF PAGES: 13
(Including this page)

SEND TO: Scott Nelson

LOCATION: Nelson Leasing- H.H. Holmes Testing Labs, Inc.

FAX NUMBER: (847) 537-9098

☒ **VERIFY BY CALLING
SENDER**

FROM:
(SENDER) **Bill Reichhold**

TELEPHONE NUMBER (630) 829-9839 FAX NUMBER (630) 515-1078

If you do not receive the complete fax transmittal, please contact the sender as soon as possible at the telephone number provided above.



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MESSAGE

Please see accompanying documents.

NOTICE

This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential, or exempt from disclosure under applicable law. If the reader of this message is not the intended recipient or the employee responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by telephone and return the original to the above address, by U.S. Mail. Thank you.

1. The U.S. Nuclear Regulatory Commission (NRC) issued NUREG-1556, Volume 1, Revision 1, to provide guidance for completing an application for the use of sealed sources in portable gauging devices. NUREG-1556, Volume 1, Revision 1, outlines the necessary information needed to apply for a portable gauge license. Please resubmit your renewal application in accordance with the new guidance in NUREG-1556, Volume 1, Revision 1. You may obtain a copy of NUREG-1556, Volume 1, Revision 1 from the NRC website at:

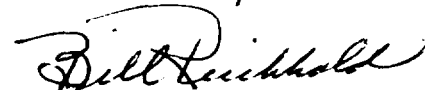
<http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1556/v1/r1/>

Also please see "revised" Appendix H on the website.

2. It is unclear if you have had an ownership change or a name change. It appears that your company is now owned by H.H. Holmes Testing Laboratories. Please specify if your company has always been owned by H.H. Holmes Testing and clarify if it was owned by H.H. Holmes Testing when the license was first issued. If there was an ownership change, please provide documentation that the transferor and the transferee agree (need both parties to sign this agreement) to the change in ownership or control of the licensed material and activity, and the conditions of transfer; and the transferee is made aware of all open inspection items and its responsibility for possible resulting enforcement actions. Also, please resubmit the change of ownership information requested in Appendix C, of NUREG 1556, Volume 1, Revision 1. See accompanying documents.
3. If you wish to use alternate training course for gauge users, please confirm that it will meet the criteria in Appendix D of NUREG-1556, Volume 1, Revision 1. See accompanying documents

Please send a facsimile of your response to the above by August 10, 2007, and refer to control **316093**. Please call me at 630-829-9839 if you have any questions.

From the desk of:



Bill Reichhold

Appendix B

Suggested Format for Providing Information Requested in Items 5 through 11

ITEMS 5 AND 6: MATERIALS TO BE POSSESSED AND PROPOSED USES

Yes	No	Radioisotope	Manufacturer or Distributor Model No.	Quantity	Use As Listed on SSD Certificate	Specify Other Uses Not Listed on SSD Certificate
		Cesium-137	Sealed source manufacturer or distributor and model number: <hr/> Device manufacturer or distributor and model number: <hr/>	Not to exceed either the maximum activity per source or maximum activity per device as specified in Sealed Source and Device Registration Certificate	Yes <input type="checkbox"/> Specific description of the gauge use: <hr/> <hr/> <hr/> <hr/> <hr/> 	<input type="checkbox"/> Not applicable <hr/> <input type="checkbox"/> Uses are: <hr/> (Submit safety analysis supporting safe use)
		Americium-241	Sealed source manufacturer or distributor and model number: <hr/> Device manufacturer or distributor and model number: <hr/>	Not to exceed either the maximum activity per source or maximum activity per device as specified in Sealed Source and Device Registration Certificate	Yes <input type="checkbox"/> Specific description of the gauge use: <hr/> <hr/> <hr/> <hr/> <hr/> 	<input type="checkbox"/> Not applicable <hr/> <input type="checkbox"/> Uses are: <hr/> (Submit safety analysis supporting safe use)

APPENDIX B

Yes	No	Radioisotope	Manufacturer or Distributor Model No.	Quantity	Use As Listed on SSD Certificate	Specify Other Uses Not Listed on SSD Certificate
		Californium-252	Sealed source manufacturer or distributor and model number: _____ Device manufacturer or distributor and model number: _____	Not to exceed either the maximum activity per source or maximum activity per device as specified in Sealed Source and Device Registration Certificate	Yes <input type="checkbox"/> Specific description of the gauge use: _____ _____ _____ _____ _____	<input type="checkbox"/> Not applicable _____ <input type="checkbox"/> Uses are: _____ (Submit safety analysis supporting safe use)
		Other Isotope (Specify):	Sealed source manufacturer or distributor and model number: _____ Device manufacturer or distributor and model number: _____	Not to exceed either the maximum activity per source or maximum activity per device as specified in Sealed Source and Device Registration Certificate	Yes <input type="checkbox"/> Specific description of the gauge use: _____	<input type="checkbox"/> Not applicable _____ <input type="checkbox"/> Uses are: _____ (Submit safety analysis supporting safe use)
Financial Assurance Required and Evidence of Financial Assurance Provided						

ITEMS 7 THROUGH 11: TRAINING AND EXPERIENCE, FACILITIES AND EQUIPMENT, RADIATION SAFETY PROGRAM, AND WASTE DISPOSAL

Item No. And Title	Suggested Response	Yes	Alternative Procedures Attached
7. INDIVIDUAL(S) RESPONSIBLE FOR RADIATION SAFETY PROGRAM AND THEIR TRAINING AND EXPERIENCE - RADIATION SAFETY OFFICER Name: _____	Before obtaining licensed materials, the proposed RSO will have successfully completed one of the training courses described in Criteria in the section entitled "Individual(s) Responsible for Radiation Safety Program and Their Training and Experience - Radiation Safety Officer" in NUREG-1556, Vol. 1, Rev. 1, dated November 2001.	<input type="checkbox"/>	<input type="checkbox"/>
8. TRAINING FOR INDIVIDUALS WORKING IN OR FREQUENTING RESTRICTED AREAS	Before using licensed materials, authorized users will have successfully completed one of the training course described in Criteria in the section entitled "Training for Individuals Working In or Frequenting Restricted Areas" in NUREG-1556, Vol. 1, Rev 1, dated November 2001.	<input type="checkbox"/>	<input type="checkbox"/>
9. FACILITIES AND EQUIPMENT	No information needs to be submitted in response to this item; key issues are addressed under "Radiation Safety Program - Public Dose" and "Radiation Safety Program - Operating and Emergency Procedures."	Separate Item 9 Response Need Not Be Submitted With Application	
10. RADIATION SAFETY PROGRAM - AUDIT PROGRAM	The applicant is <i>not</i> required to, and should not, submit its audit program to NRC for review during the licensing phase.	Need Not Be Submitted With Application	
10. RADIATION SAFETY PROGRAM - TERMINATION OF ACTIVITIES	The applicant is <i>not</i> required to submit a response to the termination of activities section during the initial application. However, when the license expires when the licensee ceases operation, NRC Form 314 must be submitted.	Need Not Be Submitted With Application	
10. RADIATION SAFETY PROGRAM - SURVEY INSTRUMENTS	We will either possess and use, or have access to and use, a radiation survey meter that meets the Criteria in the section entitled "Radiation Safety Program - Instruments" in NUREG-1556, Vol. 1, Rev. 1, dated November 2001.	<input type="checkbox"/>	<input type="checkbox"/>

Item No. And Title	Suggested Response	Yes	Alternative Procedures Attached
10. RADIATION SAFETY PROGRAM – MATERIAL RECEIPT AND ACCOUNTABILITY	Physical inventories will be conducted at intervals not to exceed 6 months, to account for all sealed sources and devices received and possessed under the license.	<input type="checkbox"/>	<input type="checkbox"/>
10. RADIATION SAFETY PROGRAM – OCCUPATIONAL DOSIMETRY	Either we will maintain, for inspection by NRC, documentation demonstrating that unmonitored individuals are not likely to receive a radiation dose in excess of 10 percent of the allowable limits in 10 CFR Part 20, or we will provide dosimetry processed and evaluated by an NVLAP-approved processor that is exchanged at a frequency recommended by the processor.	<input type="checkbox"/>	<input type="checkbox"/>
10. RADIATION SAFETY PROGRAM – PUBLIC DOSE	The applicant is <i>not</i> required to submit a response to the public dose section during the licensing phase. This matter will be examined during an inspection.	Need Not Be Submitted With Application	
10. RADIATION SAFETY PROGRAM – OPERATING AND EMERGENCY PROCEDURES	We will implement and maintain the operating and emergency procedures in Appendix H of NUREG-1556, Vol. 1, Rev. 1, dated November 2001, and provide copies of these procedures to all gauge users and at each job site.	<input type="checkbox"/>	<input type="checkbox"/>
	OR Operating and emergency procedures will be developed, implemented, and maintained and will meet the criteria in the section entitled "Radiation Safety Program – Operating and Emergency Procedures" in NUREG-1556, Vol. 1, Rev. 1, dated November 2001.	<input type="checkbox"/>	
10. RADIATION SAFETY PROGRAM – LEAK TEST	Leak tests will be performed at intervals approved by NRC or an Agreement State and specified in the Sealed Source and Device Registration Sheet. Leak tests will be performed by an organization authorized by NRC or an Agreement State to provide leak testing services for other licensees or using a leak test kit supplied by an organization authorized by NRC or an Agreement State to provide leak test kits to other licensees and according to the kit supplier's instructions.	<input type="checkbox"/>	<input type="checkbox"/> The information in Appendix J supporting a request to perform leak testing and sample analysis is attached.

Item No. And Title	Suggested Response	Yes	Alternative Procedures Attached
10. RADIATION SAFETY PROGRAM - MAINTENANCE	<i>Routine Cleaning and Lubrication</i> We will implement and maintain procedures for routine maintenance of our gauges according to each manufacturer's recommendations and instructions.	<input type="checkbox"/>	<input type="checkbox"/>
	<i>Non-Routine Maintenance</i> We will send the gauge to the manufacturer or other person authorized by NRC or an Agreement State to perform non-routine maintenance or repair operations that require the removal of the source or source rod from the gauge.	<input type="checkbox"/>	The information listed in Appendix G supporting a request to perform non-routine maintenance in-house is attached.
10. RADIATION SAFETY PROGRAM - TRANSPORTATION	The applicant is <i>not</i> required to submit its response to transportation during the licensing process. However, this issue will be reviewed during inspection.		Need Not Be Submitted With Application
11. WASTE MANAGEMENT - GAUGE DISPOSAL AND TRANSFER	The applicant is <i>not</i> required to submit a response to waste management during the licensing process. However, the licensee should develop, implement, and maintain gauge transfer and disposal procedures in its radiation protection program.		Need Not Be Submitted With Application

Appendix C

Information Needed for Change of Ownership or Control Application

Licensees must provide full information and obtain NRC's prior written consent before transferring ownership or control of the license; some licensees refer to this as "transferring the license." Licensees must provide the following information concerning changes of ownership or control by the applicant (transferor and/or transferee, as appropriate). If any items are not applicable, licensees must so state.

1. The new name of the licensed organization. If there is no change, the licensee should so state.
2. The new licensee contact and telephone number(s) to facilitate communications.
3. Any change in personnel having control over licensed activities (e.g., officers of a corporation) and any change in personnel named in the license such as RSO, authorized users, or any other persons identified in previous license applications as responsible for radiation safety or use of licensed material. The licensee should include information concerning the qualifications, training, and responsibilities of new individuals.
4. An indication of whether the transferor will remain in non-licensed business without the license.
5. A complete, clear description of the transaction, including any transfer of stocks or assets, mergers, etc., so that legal counsel is able, when necessary, to differentiate between name changes and changes of ownership.
6. A complete description of any planned changes in organization, location, facility, equipment, or procedures (i.e., changes in operating or emergency procedures).
7. A detailed description of any changes in the use, possession, location, or storage of the licensed materials.
8. Any changes in organization, location, facilities, equipment, procedures, or personnel that would require a license amendment even without the change of ownership.
9. An indication of whether all surveillance items and records (e.g., calibrations, leak tests, surveys, inventories, and accountability requirements) will be current at the time of transfer. Provide a description of the status of all surveillance requirements and records.
10. Confirmation that all records concerning the safe and effective decommissioning of the facility, pursuant to 10 CFR 30.35(g), 40.36(f), 70.25(g), and 72.30(d); public dose; and waste disposal by release to sewers, incineration, radioactive material spills, and on-site burials, have been transferred to the new licensee, if licensed activities will continue at the same location, or to NRC for license terminations.
11. A description of the status of the facility. Specifically, the presence or absence of contamination should be documented. If contamination is present, will decontamination occur before transfer? If not, does the successor company agree to assume full liability for the decontamination of the facility or site?

APPENDIX C

12. A description of any decontamination plans, including financial assurance arrangements of the transferee, as specified in 10 CFR 30.35, 40.36, and 70.25. Include information about how the transferee and transferor propose to divide the transferor's assets, and responsibility for any cleanup needed at the time of transfer.
13. Confirmation that the transferee agrees to abide by all commitments and representations previously made to NRC by the transferor. These include, but are not limited to: maintaining decommissioning records required by 10 CFR 30.35(g), implementing decontamination activities and decommissioning of the site, and completing corrective actions for open inspection items and enforcement actions.

With regard to contamination of facilities and equipment, the transferee should confirm, in writing, that it accepts full liability for the site, and it should provide evidence of adequate resources to fund decommissioning; or the transferor should provide a commitment to decontaminate the facility before change of control or ownership.

With regard to open inspection items, etc., the transferee should confirm, in writing, that it accepts full responsibility for open inspection items and/or any resulting enforcement actions; or the transferee proposes alternative measures for meeting the requirements; or the transferor provides a commitment to close out all such actions with NRC before license transfer.

14. Documentation that the transferor and transferee agree to the change in ownership or control of the licensed material and activity, and the conditions of transfer; and the transferee is made aware of all open inspection items and its responsibility for possible resulting enforcement actions.
15. A commitment by the transferee to abide by all constraints, conditions, requirements, representations, and commitments identified in the existing license. If not, the transferee must provide a description of its program, to ensure compliance with the license and regulations.

References: The information above is contained in IN-89-25, Revision 1, "Unauthorized Transfer of Ownership or Control of Licensed Activities." See the Notice of Availability (on the inside front cover of this report) to obtain copies.

Appendix D

Criteria for Acceptable Training Courses for Portable Gauge Users

COURSE CONTENT

- 1.5 to 2 hours of radiation safety and regulatory requirements, emphasizing practical subjects important to safe use of the gauge; radiation vs. contamination; internal vs. external exposure; concept of time, distance, and shielding to minimize exposure; control and surveillance of gauges; location of sealed source within the portable gauge; inventory; recordkeeping; incidents; licensing and inspection by regulatory agency; need for complete and accurate information; employee protection; deliberate misconduct.
- 1.5 to 2 hours of practical explanation of portable gauge theory and operation; operating, emergency, maintenance, and transportation procedures; and field training emphasizing radiation safety and including test runs of setting up and making measurements with the gauge, controlling and maintaining surveillance over the portable gauge, performing routine cleaning and lubrication, packaging and transporting the gauge, storing the gauge, and following emergency procedures.

COURSE EXAMINATION

- At least a 70-percent score on a 25-to-50-question, closed-book written test
 - Emphasis on radiation safety of portable gauge storage, use, sealed source location, maintenance, and transportation, rather than the theory and art of making portable gauge measurements;
 - Review of correct answers to missed questions with prospective gauge user immediately following the scoring of the test.

COURSE INSTRUCTOR QUALIFICATIONS

Instructor should have either:

- Bachelor's degree in a physical or life science or engineering;
- Successful completion of a portable gauge user course;
- Successful completion of an 8-hour radiation safety course; and
- 8 hours hands-on experience with portable gauges.

OR

- Successful completion of portable gauge user course;
- Successful completion of 40-hour radiation safety course; and
- 30 hours of hands-on experience with portable gauges.

Note: Licensees should maintain records of training.