



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

July 3, 2002

Docket Nos. 03034615
03036064
Control Nos. 131703
131702

License Nos. 06-30423-01
38-30746-01

Garry Balestracci
Radiation Safety Officer, Megarad, Inc.
Balestracci Unlimited
29 Ridgewood Road
Charlestown, RI 02813

SUBJECT: BALESTRACCI UNLIMITED, REQUEST FOR ADDITIONAL INFORMATION CONCERNING APPLICATION FOR AMENDMENT TO LICENSE, CONTROL NOS. 131703 AND 131702

Dear Mr. Balestracci:

This is in reference to your letter dated May 14, 2002 requesting to amend Nuclear Regulatory Commission License No. 06-30423-01. Note that since you requested the mailing address changed to an address in Rhode Island, we will have to issue a new license (38-30746-01) and terminate your old license (06-30423-01).

In order to continue our review, we need the following additional information:

1. We sent a certified return receipt letter dated May 15, 2002 (copy enclosed) to Mr. Crihan, President of Megarad. Mr. Crihan signed for the letter on May 23, 2002. The letter requested a response in 7 days from the day of receipt. As of the date of this letter, we have not received a response. Please provide a response to our May 15, 2002 letter. Since you have never procured radioactive material for as long as you've had this license (over 4 years) and that you have no plans in the near future to procure radioactive material, you should terminate your NRC license. You may always resubmit when you have the need to initiate licensed activities.
2. In your letter dated May 14, 2002, you requested that for the purpose of correspondence to please forward all inquiries and information to you at Balestracci Unlimited. Please indicate if you would like the mailing address to read as follows:

Megarad, Inc.
c/o Balestracci Unlimited
29 Ridgewood Road
Charlestown, RI 02813

If this is incorrect, please indicate if you would like the company name changed from Megarad, Inc. to Balestracci Unlimited. If this is a company name change, please provide the following information.

It appears from your letter that a possible change of ownership (control) has occurred. Licensees must provide full information and obtain NRC's **prior written consent** before transferring control of the license. Control of a license is in the hands of the person or persons who are empowered to decide when and how that license will be used. That control is to be found in the person or persons who, because of ownership or authority explicitly delegated by the owners, possess the power to determine corporate policy and thus the direction of the activities under the license. A transferee is an entity that proposes to purchase or otherwise gain control of an NRC-licensed operation. A transferor is an NRC licensee selling or otherwise giving up control of a licensed operation. Provide the following information concerning changes of control by the applicant (transferor and/or transferee, as appropriate). If any items are not applicable, so state.

- a. Provide a complete description of the transaction (transfer of stocks or assets, or merger).
- b. Indicate whether the name has changed and include the new name. Include the name and telephone number of a licensee contact who NRC may contact if more information is needed.
- c. Describe any changes in personnel or duties that relate to the licensed program. Include training and experience for any new personnel.
- d. Describe any changes in the organization, location, facilities, equipment or procedures that relate to the licensed program.
- e. Describe the status of the surveillance program (surveys, wipe tests, quality control) at the present time and the expected status at the time that control is to be transferred.
- f. Confirm that all records concerning the safe and effective decommissioning of the facility will be transferred to the transferee or to NRC, as appropriate. These records include documentation of surveys of ambient radiation levels and fixed and/or removable contamination, including methods and sensitivity.
- g. Confirm that the transferee will abide by all constraints, conditions, requirements and commitments of the transferor or that the transferee will submit a complete description of the proposed licensed program.

3. Your application should have been signed by a management representative rather than the Radiation Safety Officer. Please submit a letter signed by a management representative indicating that management has reviewed the application and concurs in the statements and representations contained therein. Note also that a management representative should sign all future correspondence that requests a change in your license.
4. In your letter dated May 14, 2002, you indicated that storage will be conducted under agreement with Quality Services Laboratories, Inc. (QSL). Your application appears to indicate that your location of use may be controlled by an entity other than yourself. If so, please provide documentation of a clear contractual agreement concerning unfettered access to the location of use. This documentation should consist of signed certification from both parties.
5. In your application you state that QSL may choose to lease portions of their Trainer, Pennsylvania facilities to you so that you may perform activities with byproduct material under your own NRC license. The NRC does not usually issue licenses to multiple entities at the same address. Specifically address the following items:
 - a. Describe the management controls you will implement to ensure that the conditions of all licenses are met, and that licensed materials are controlled by the respective licensees and not intermingled.
 - b. Describe how licensed material assigned to Megarad will be controlled and secured so that it does not inadvertently become mixed with QSL's material.
 - c. Submit the procedures that will be required if you must transfer material through areas of the facility which are controlled by QSL, for activities such as receiving and shipping materials from a common loading dock or moving cameras to a storage area, which ensure that licensed material is controlled by the appropriate licensee.
 - d. If any areas are to be shared (such as hallways, Exposure Rooms, storage facilities), specify who will be responsible for control of licensed materials in these areas, performance of surveys, and other related activities including incidents.

In accordance with 10 CFR 2.790, a copy of this letter will be placed in the NRC Public Document Room and will be accessible from the NRC Web site at <http://www.nrc.gov/reading-rm.html>.

G. Balestracci
Balestracci Unlimited

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We will continue our review upon receipt of this information. Please reply to my attention at the Region I Office and refer to Mail Control Nos. 131703, and 131702. If you have any technical questions regarding this deficiency letter, please call Kathy Dolce Modes at (610) 337-5251.

If we do not receive a reply from you within 30 calendar days from the date of this letter, we shall assume that you do not wish to pursue your application.

Sincerely,

Original signed by Duncan White

Duncan White
Division of Nuclear Materials Safety

Enclosures:
10 CFR Parts 19, 20, 21, 30, and 34
Letter from NRC dated May 15, 2002

cc:
Ioan G. Crihan, P.E., President

DOCUMENT NAME: C:\ORPCheckout\FileNET\ML021840561.wpd

To receive a copy of this document, indicate in the box: "C" = Copy w/o attach/encl "E" = Copy w/ attach/encl "N" = No copy

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