PHYSICAL SCIENCES INC.

25 July 2002

Mr. Bryan Parker
Sam Nunn Atlanta Federal Center
U.S. Nuclear Regulatory Commission, Region II
61 Forsyth Street, S.W., Suite 23T85
Atlanta, GA 30303-8931

RE: - Application for Materials License, Mail Control Number 260033;
- Our telephone conversation on 24 July, 2002.

Dear Mr. Parker:

Further to our telephone conversation regarding the review of our Application for Materials License referenced above and the required availability of a SS&D certification for the specific neutron generator accelerator head included in the application, we agree with your recommendation to withdraw our Application for Materials License temporarily.

Based on the information you provided, it is our understanding that this administrative step will allow us to submit the necessary modifications to our Application for Materials License at a later time, including switching to a different neutron generator accelerator head that is NRC-certified. Furthermore, it is our understanding that the review process will resume under the same Control Number as soon as the modifications to our Application are received at the NRC, and that no additional application fee will be required.

We appreciate your review and thoughtful suggestions, and anticipate submission of our modified Application – as recommended – within a few weeks. Please don't hesitate to contact me via phone or e-mail (schwarz@psicorp.com). My new phone number will be (703) 437-7294, effective July 29.

Sincerely,

Willi Schwarz

Dr. Willi G. Schwarz
Principal Scientist

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