

February 10, 1999

Docket No. 030-34916  
Control No. 126410

License No. 37-30492-01

Michael P. Guy  
Radiation Safety Officer  
ARM Group, Inc.  
P.O. Box 40  
Middletown, PA 17057

Dear Mr. Guy:

This refers to your request for an NRC license. Enclosed with this letter is the license. 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 I Office, Licensing Assistance Team, (610) 337-5093 or 5239, so that we can provide appropriate corrections and answers.

The NRC is required to have your Taxpayer Identification Number in order to make payments (refunds). The self-addressed, stamped NRC Form 531, "Request for Taxpayer Identification Number," is enclosed.

Please be advised that your license expires at the end of the day, in the month, and year stated in the license. Until your license is terminated, you must conduct your program involving byproduct materials in accordance with the conditions of your NRC license, representations made in your license application, and NRC regulations. In particular, note that you must:

1. Operate in accordance with NRC regulations 10 CFR Part 19, "Notices, Instructions and Reports to Workers; Inspections," 10 CFR Part 20, "Standards for Protection Against Radiation," and other applicable regulations.
2. Not possess and use materials authorized in Items 6, 7, and 8, on the license until you have constructed the facilities and obtained the equipment described in the license application and supporting documentation.
3. Notify the NRC no later than 30 days after the mailing address on the license changes (no fee is required if the location of byproduct material remains the same).
4. In accordance with 10 CFR 30.36(d), notify the NRC, promptly, in writing, and request termination of the license when you decide to terminate all activities involving materials authorized under the license.
5. Request and obtain a license Amendment before you:

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NMSS/RGNI MATERIALS-001

- a. order byproduct material in excess of the amount, or radionuclide, or form different than authorized on the license; or
  - B. add or change the areas of use, or address or addresses of use identified in the license application or on the license.
6. Receive written approval from the NRC prior to any change in ownership of your organization, in accordance with 10 CFR 30.34(b).
  7. Submit a complete renewal application with proper fee or termination request at least 30 days before the expiration date of your license. You will receive a reminder notice approximately 90 days before the expiration date. Possession of byproduct material after your license expires is a violation of NRC regulations. A license will not normally be renewed, except on a case-by-case basis, in instances where licensed material has never been possessed or used.

In addition, please note that NRC Form 313 requires the applicant, by his/her signature, to verify that the applicant understands that all statements contained in the application are true and correct to the best of the applicant's knowledge. The signatory for the application should be the licensee or a certifying official of the licensee rather than the Radiation Safety Officer or a consultant.

You will be periodically inspected by the 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 Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), NUREG 1600.

Since serious consequences to employees and the public can result from failure to comply with NRC requirements, prompt and vigorous enforcement actions 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.

Thank you for your cooperation.

Sincerely,

***Original signed by Eric H. Reber***

Eric H. Reber  
Health Physicist  
Nuclear Materials Safety Branch 2  
Division of Nuclear Materials Safety

M. Guy  
ARM Group, Inc.

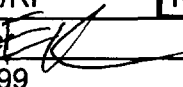
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Enclosures:

1. License No. 37-30492-01
2. 10 CFR Parts 19, 20, 21, 30, 71, 170, and 171
3. NRC Forms 3, 313, and 531
4. Section 206 of the Energy Reorganization Act of 1974
5. NUREG 1600, General Policy and Procedure for NRC Enforcement Actions (Enforcement Policy)

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**MATERIALS LICENSE**

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations, Chapter I, Parts 30, 31, 32, 33, 34, 35, 36, 39, 40, and 70, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations, and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

Licensee	
1. ARM Group, Inc.	3. License number 37-30492-01
2. P.O. Box 40 Middletown, PA 17057	4. Expiration date February 28, 2009
	5. Docket No. 030-34916 Reference No.

6. Byproduct, source, and/or special nuclear material	7. Chemical and/or physical form	8. Maximum amount that licensee may possess at any one time under this license
A. Cesium 137	A. Sealed sources registered either with NRC under 10 CFR 32.210 or with an Agreement State and incorporated in a compatible portable gauging device as specified in Item 9 of this license	A. No single source to exceed the maximum activity specified in the certificate of registration issued by NRC or an Agreement State
B. Americium 241	B. Sealed sources registered either with NRC under 10 CFR 32.210 or with an Agreement State and incorporated in a compatible portable gauging device as specified in Item 9 of this license	B. No single source to exceed the maximum activity specified in the certificate of registration issued by NRC or an Agreement State

Authorized use:

03014

9. A. and B. For measuring physical properties of materials, in portable gauging devices that have been registered either with NRC under 10 CFR 32.210 or with an Agreement State and have been distributed in accordance with an NRC or Agreement State specific license authorizing distribution to persons specifically authorized by an NRC or Agreement State license to receive, possess, and use the devices.

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**MATERIALS LICENSE  
SUPPLEMENTARY SHEET**License Number  
37-30492-01Docket or Reference Number  
030-34916**CONDITIONS**

10. Licensed material may be used or stored at the licensee's facilities located at 561 W. Chocolate Avenue, Hershey, Pennsylvania and may be used at temporary job sites of the licensee anywhere in the United States where the U.S. Nuclear Regulatory Commission maintains jurisdiction for regulating the use of licensed material.
11. Licensed material shall only be used by, or under the supervision and in the physical presence of, individuals who have received the training described in the letter dated January 29, 1999.
12. A. The Radiation Safety Officer (RSO) for this license is Michael P. Guy.  
B. Before assuming the duties and responsibilities as RSO for this license, Michael P. Guy shall have successfully completed one of the training courses described in Criteria in Section 8.8 of NUREG-1556, Volume I, dated May 1997.
13. A. Sealed sources shall be tested for leakage and/or contamination at intervals not to exceed the intervals specified in the certificate of registration issued by NRC under 10 CFR 32.210 or by an Agreement State.  
B. In the absence of a certificate from a transferor indicating that a leak test has been made within the intervals specified in the certificate of registration issued by NRC under 10 CFR 32.210 or by an Agreement State prior to the transfer, a sealed source or detector cell received from another person shall not be put into use until tested.  
C. Sealed sources need not be tested if they are in storage and are not being used. However, when they are removed from storage for use or transferred to another person, and have not been tested within the required leak test interval, they shall be tested before use or transfer. No sealed source shall be stored for a period of more than 10 years without being tested for leakage and/or contamination.  
D. The leak test shall be capable of detecting the presence of 0.005 microcurie of radioactive material on the test sample. If the test reveals the presence of 0.005 microcurie or more of removable contamination, a report shall be filed with the U. S. Nuclear Regulatory Commission in accordance with 10 CFR 30.50(b)(2), and the source shall be removed immediately from service and decontaminated, repaired, or disposed of in accordance with Commission regulations. The report shall be filed within 5 days of the date the leak test result is known with the U.S. Nuclear Regulatory Commission, Region I, ATTN: Director, Division of Nuclear Materials Safety, 475 Allendale Road, King of Prussia, Pennsylvania 19406. The report shall specify the source involved, the test results, and corrective action taken.

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- E. Tests for leakage and/or contamination shall be performed by persons specifically licensed by the Commission or an Agreement State to perform such services. In addition, the licensee is authorized to collect leak test samples but not perform the analysis; analysis of leak test samples must be performed by persons specifically licensed by the Commission or an Agreement State to perform such services.
14. Sealed sources or source rods containing licensed material shall not be opened or sources removed or detached from source rods or gauges by the licensee, except as specifically authorized.
15. The licensee shall conduct a physical inventory every six months, or at other interval approved by NRC, to account for all sealed sources and/or devices received and possessed under the license.
16. Each portable nuclear gauge shall have a lock or outer locked container designed to prevent unauthorized or accidental removal of the sealed source from its shielded position. The gauge or its container must be locked when in transport, storage or when not under the direct surveillance of an authorized user.
17. Any cleaning, maintenance, or repair of the gauges that requires detaching the source or source rod from the gauge shall be performed only by the manufacturer or other persons specifically licensed by the Commission or an Agreement State to perform such services.
18. Except for maintaining labeling as required by 10 CFR Part 20 or 71, the licensee shall obtain authorization from NRC before making any changes in the sealed source, device, or source-device combination that would alter the description or specifications as indicated in the respective Registration Certificates issued either by the Commission pursuant to 10 CFR 32.210 or by an Agreement State.
19. A. If the licensee uses unshielded sealed sources extended more than 3 feet below the surface, the licensee shall use surface casing that extends from the lowest depth to 12 inches above the surface and other appropriate procedures to reduce the probability of the source or probe becoming lodged below the surface. If it is not feasible to extend the casing 12 inches above the surface, the licensee shall implement procedures to ensure that the cased hole is free of obstruction before making measurements.
- B. If a sealed source or a probe containing sealed sources becomes lodged below the surface and it becomes apparent that efforts to recover the sealed source or probe may not be successful, the licensee shall notify the U.S. Nuclear Regulatory Commission and submit the report required by 10 CFR 30.50(b)(2) and (c). The licensee shall not abandon the sealed source or probe without obtaining the Commission's prior written consent.
20. In addition to the possession limits in Item 8, the licensee shall further restrict the possession of licensed material to quantities below the minimum limit specified in 10 CFR 30.35(d), 40.36(b), and 70.25(d) for establishing financial assurance for decommissioning.
21. The licensee is authorized to transport licensed material only in accordance with the provisions of 10 CFR Part 71, "Packaging and Transportation of Radioactive Material."

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22. Except as specifically provided otherwise in this license, the licensee shall conduct its program in accordance with the statements, representations, and procedures contained in the documents, including any enclosures, listed below. The Nuclear Regulatory Commission's regulations shall govern unless the statements, representations, and procedures in the licensee's application and correspondence are more restrictive than the regulations.

- A. Application dated December 23, 1998
- B. Letter dated January 29, 1999



For the U.S. Nuclear Regulatory Commission

Date February 11, 1999

By \_\_\_\_\_

***Original signed by Eric H. Reber***Eric H. Reber  
Nuclear Materials Safety Branch 2  
Division of Nuclear Materials Safety  
Region I  
King of Prussia, Pennsylvania 19406