



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

August 29, 2006

Docket No. 03036955
EA No. 06-171

License No. 29-31053-01

Nalin R. Shah
President
Encore Specialty, LLC
177 Edison Avenue
Edison, NJ 08820

SUBJECT: INSPECTION 03036955/2006001, ENCORE SPECIALTY, LLC

Dear Mr. Shah:

This letter refers to your July 24, 2006, correspondence, in response to our July 18, 2006, letter. Thank you for informing us of the corrective and preventive actions documented in your letter. These actions will be examined during a future inspection of your licensed program.

Please be reminded that a condition of your license requires that each portable nuclear gauge have a lock or outer locked container designed to prevent unauthorized or accidental removal of the sealed source from its shielded position and the gauge or its container be locked when in transport or storage, or when not under the direct surveillance of an authorized user. Additionally, the gauges must be secured from unauthorized removal in accordance with the requirements in 10 CFR 30.34 (i). The inspector had explained these requirements to you during the inspection.

Your cooperation with us is appreciated.

Sincerely,

Original signed by Sattar Lodhi, Ph.D.

John D. Kinneman, Chief
Security and Industrial Branch
Division of Nuclear Materials Safety

cc:
State of New Jersey

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SUNSI Review Complete: CGordon

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