

EDO Principal Correspondence Control

FROM: DUE: 07/11/08

EDO CONTROL: G20080428

DOC DT: 06/25/08

FINAL REPLY:

Representative Rodney P. Frelinghuysen
(Judith Ceballos)

TO:

R. Schmidt, OCA

FOR SIGNATURE OF :

** GRN **

CRC NO: 08-0353

Borchardt, EDO

DESC:

ROUTING:

License Application to Inspect Irradiated
Gemstones (Richard Krementz, III)
(EDATS: SECY-2008-0369)

Borchardt
Virgilio
Mallett
Ash
Ordaz
Cyr/Burns
Schmidt, OCA
Bagley, OEDO
Campbell, OEDO

DATE: 06/24/08

ASSIGNED TO:

CONTACT:

FSME

Miller

SPECIAL INSTRUCTIONS OR REMARKS:

Ref. G20070574.

Template: SECY-017

E-RIDS: SECY-01

EDATS

Electronic Document and Action Tracking System

EDATS Number: SECY-2008-0369

Source: SECY

General Information

Assigned To: FSME

OEDO Due Date: 7/11/2008 5:00 PM

Other Assignees:

SECY Due Date: 7/15/2008 5:00 PM

Subject: License Application to Inspect Irradiated Gemstones (Richard Krementz, III)

Description:

CC Routing: NONE

ADAMS Accession Numbers - Incoming: NONE

Response/Package: NONE

Other Information

Cross Reference Number: G20080428, G20070574,
LTR-08-0353

Staff Initiated: NO

Related Task:

Recurring Item: NO

File Routing: EDATS

Agency Lesson Learned: NO

Roadmap Item: NO

Process Information

Action Type: Letter

Priority: Medium

Signature Level: EDO

Sensitivity: None

Urgency: NO

OEDO Concurrence: YES

OCM Concurrence: NO

OCA Concurrence: YES

Special Instructions: Ref. G20070574.

Document Information

Originator Name: Representative Rodney P.
Frelinghuysen

Date of Incoming: 6/25/2008

Originating Organization: Congress

Document Received by SECY Date: 6/24/2008

Addressee: R. Schmidt, OCA

Date Response Requested by Originator: NONE

Incoming Task Received: Letter

**OFFICE OF THE SECRETARY
CORRESPONDENCE CONTROL TICKET**

Date Printed: Jun 24, 2008 10:09

PAPER NUMBER: LTR-08-0353
ACTION OFFICE: EDO

LOGGING DATE: 06/23/2008

AUTHOR: REP Rodney Frelinghuysen
AFFILIATION: CONG
ADDRESSEE: Rebecca Schmidt
SUBJECT: Gemclear LP

ACTION: Signature of EDO
DISTRIBUTION: OCA to Ack

LETTER DATE: 06/25/2008

ACKNOWLEDGED No

SPECIAL HANDLING:

NOTES:

FILE LOCATION: ADAMS

DATE DUE: 07/15/2008

DATE SIGNED:

EDO --G20080428

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<http://www.house.gov/frelinghuysen>

Congress of the United States
House of Representatives
Washington, DC 20515-3011

COMMITTEE
COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEES
COMMERCE, JUSTICE, SCIENCE, AND
RELATED AGENCIES—RANKING MEMBER

DEFENSE
SELECT INTELLIGENCE
OVERSIGHT PANEL

June 25, 2008

Ms. Rebecca Schmidt
Director, Office of Congressional Affairs
Nuclear Regulatory Commission
Washington, D.C. 20555

Re: Gemclear LP

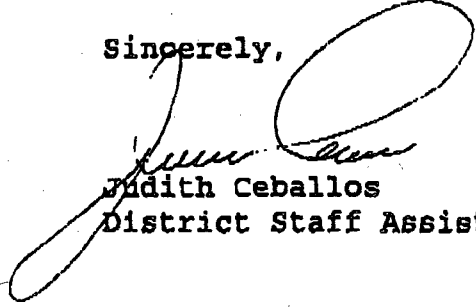
Dear Ms. Schmidt:

Enclosed is a copy of a letter Congressman Frelinghuysen has received from his constituent, Mr. Richard Krementz, III, concerning an application submitted to the NRC regarding the license to inspect irradiated gemstones.

The Congressman would appreciate your careful review of his constituent's concerns and any assistance which can be provided. Please forward a response to our Morristown office as soon as possible.

Thank you for your prompt assistance in this matter.

Sincerely,


Judith Ceballos
District Staff Assistant

Richard Krementz III



June 12, 2008

The Hon. Rodney P. Frelinghuysen
30 Schuyler Place, Second Floor
Morristown, NJ 07960

Dear Rep. Frelinghuysen,

My parents Peggy and Dick recommended I write you with a concern I have with the Nuclear Regulatory Commission. I am past president of the American Gem Trade Association.

As you know, our family has been involved with gemstones for four generations. Some gemstones, notably blue topaz, are irradiated to enhance the color and make them more salable. Although inexpensive, blue topaz is the most popular gemstone in the US by volume, and represents about a billion dollars in retail jewelry sales. Other popular irradiated gems include pink and red tourmaline, some treated yellow diamonds, kunzite and morganite.

The NRC has rules to safeguard the public from dangerous residual radioactivity. These rules have not been enforced for many years. Last year, the NRC started enforcing the old rules, and created additional rules effective November 30, 2007. For an irradiated gemstone to be legally sold in the US, it must be tested by a NRC-licensed facility. However, as of a year ago, there were no NRC-licensees, which made all irradiated gemstones technically "illegal". The NRC has not identified any actual dangerous radioactivity in the market, but it has the mandate is to protect the public.

My company, GemClear LP, has been setup to test irradiated gemstones and release them for "exempt distribution", as the NRC regulations require. We do not sell or treat gemstones; our only business is to make sure the treated gemstones are legal and safe. Our customers are the large importers and retailers that need to comply with the NRC regulations. We applied for our license in December of 2007.

We have developed some new technology (patent-pending) which will allow inexpensive testing and still be compliant with NRC regulations. After some technical review, the NRC has accepted our process, yet has not issued the license.

The jewelry market, like many other sectors of the economy, is in a precarious state. Jewelry represent a lot of employment in retail sales, from conventional brick and mortar stores to new marketers such as television and the Internet. The uncertainty posed by unlicensed irradiated gemstones has decimated irradiated gemstone jewelry sales. Because of the long lead times in production, topaz needs to be tested very soon order to be available for the holiday selling season. Tiffany, as one example, calls me

regularly to know when can we start testing their gems.

The NRC has stated that they require yet another 90 days to review our application. The gemstone industry has very little voice in Washington, and so our application appears to be last priority. Duncan White, Chief of State Agreements and Industrial Safety Branch, based in Rockville MD, sets the priorities for the department.

I would greatly appreciate it if you would make inquiries to encourage the NRC to approve our application as soon as possible. We want to make sure consumers have safe, affordable gemstone opportunities, and keep the jobs for the people dependent on this business.

Thank you for reading my letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Krementz III". The signature is fluid and cursive, with a stylized "R" and "K".

Richard Krementz III, CG, FGA

President (Marketing), GemClear LP