



Philips Lighting Company

Reply to a Notice of Violation

May 8, 2017

License #: 29-20609-02E

Docket #: 030-22295

REC RG10512-17 AM06:58

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555

Ladies/Gentlemen:

This letter is in response to the Notice of Violation (NOV) received subsequent to an NRC compliance audit performed at our Mountaintop, Pennsylvania distribution warehouse. This audit was performed to assess compliance to NRC Radioactive Material License (29-20609-02E) for exempt distribution.

The NOV states that the licensee failed to comply (in part) with 10 CFR 32.15 regarding the manner in which each unit (lamp) is labelled regarding its byproduct content. A copy of the NOV is attached for reference.

In discussions with the NRC inspector following the compliance audit, it became evident that the licensee had been relying on a previous license condition that exempted the licensee from the labelling requirements of 10 CFR 32.15(d) and to allowed the licensee to apply byproduct labelling in an alternative manner on unit packaging. For reasons unclear to the licensee, this particular license condition was removed from the license when a past license amendment was issued. Also, the consequences of this condition being removed from the license was not evident to the licensee at the time, or since.

The licensee is currently preparing a license amendment application requesting that the previous labelling exemption be incorporated as a license condition. Submission of this amendment application is planned within the next 2 weeks.

However, if the above amendment application does not accomplish incorporating the labelling exemption as a license condition, the licensee will pursue plans to label units and packaging in accordance with 10 CFR 32.15(d). Implementation of this labelling scheme will be phased in over a period of 6 months. It should be noted that product labelled in accordance with the previous labelling exemption could potentially remain in the licensee's inventory for a period of 3 years or more.

I trust this approach demonstrates our desire and intent to ensure our activities remain in compliance with the requirements of our license. If any additional information, or discussion on the subject, is necessary, please contact me via e-mail (dean.weeks@philips.com) or by phone (908-705-4743).

Philips Lighting Company
200 Franklin Square Drive
Somerset, NJ 08873-4186

Tel: 732.563.3000

Philips Lighting North American Corporation

May 8, 2017

License #.: 29-20609-02E

Docket #: 030-22295

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Weeks', with a long horizontal line extending to the right.

Dean Weeks
Senior Project Manager
Philips Lighting North America

cc- Regional Administrator – NRC Region 1



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
2100 RENAISSANCE BOULEVARD, SUITE 100
KING OF PRUSSIA, PA 19406-2713

December 19, 2016

Docket No. 03022295

License No. 29-20609-02E

Dean Weeks
Senior Project Manager
Philips Lighting Company
A Division of Philips Electronics
North America Corporation
200 Franklin Square Drive
Somerset, NJ 08873-4186

SUBJECT: NRC INSPECTION REPORT NO. 03022295/2016001, PHILIPS LIGHTING
COMPANY, SOMERSET, NEW JERSEY SITE AND THE MOUNTAINTOP,
PENNSYLVANIA SITE, AND NOTICE OF VIOLATION

Dear Mr. Weeks:

On September 22, 2016, Dennis Lawyer of this office conducted a safety inspection at 120 Oak Hill Road, Mountaintop, Pennsylvania, with continued in-office review through December 8, 2016. The inspection was an examination of your licensed activities as they related to radiation safety and to compliance with the Commission's regulations and the license conditions. The inspection consisted of observations by the inspector, interviews with personnel, and a selective examination of representative records. Additional information provided in your correspondence dated October 20, 24, November 8, 11, 29, 30, and the telephone conversation on December 8, 2016, between you and this office were also examined as part of the inspection. The findings of the inspection were discussed with you at the conclusion of the inspection.

We understand that your name has changed to Philips Lighting North American Corporation. Since the license has not had an amendment issued your current name, this letter is written in your previous name, Philips Lighting Company which is listed on the license.

Based on the results of this inspection and in accordance with the NRC Enforcement Policy, the NRC has determined that one Severity Level IV violation of NRC requirements occurred. The violation involved a failure to label each product so that the byproduct material in the product can be identified.

The violation is cited in the enclosed Notice of Violation (Notice), because the violation was identified by the NRC. You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response.

During our inspection exit meeting on December 8, 2016, you stated that you will take corrective and preventative actions to address this violation and that Philips Lighting Company is committed to radiation safety and to compliance with NRC regulations and licensed conditions.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC document system (ADAMS), accessible from the

NRC Public Document Room or from the NRC document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

Current NRC regulations and guidance are included on the NRC's website at www.nrc.gov; select **Nuclear Materials; Med, Ind, & Academic Uses**; then **Regulations, Guidance and Communications**. The current Enforcement Policy is included on the NRC's Web site at www.nrc.gov; select **About NRC, Organizations & Functions; Office of Enforcement; Enforcement documents**; then **Enforcement Policy (Under 'Related Information')**. You may also obtain these documents by contacting the Government Printing Office (GPO) toll-free at 1-866-512-1800. The GPO is open from 8:00 a.m. to 5:30 p.m. EST, Monday through Friday (except Federal holidays).

The NRC's Safety Culture Policy Statement became effective in June 2011. While a policy statement and not a regulation, it sets forth the agency's *expectations* for individuals and organizations to establish and maintain a positive safety culture. You can access the policy statement and supporting material that may benefit your organization on NRC's safety culture Web site at <http://www.nrc.gov/about-nrc/safety-culture.html>. We strongly encourage you to review this material and adapt it to your particular needs in order to develop and maintain a positive safety culture as you engage in NRC-regulated activities.

Please contact Dennis Lawyer at 610-337-5366 if you have any questions regarding this matter.

Sincerely,



Blake D. Welling, Chief
Commercial, Industrial, R&D
and Academic Branch
Division of Nuclear Materials Safety

Enclosure:
Notice of Violation

cc: State of New Jersey
Commonwealth of Pennsylvania

NOTICE OF VIOLATION

Philips Lighting Company
Somerset, NJ

Docket No. 03022295
License No. 29-20609-02E

During an NRC inspection conducted on September 22, 2016, and in-office review through December 8, 2016, one violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

10 CFR 32.15 requires licensees, in part, to label or mark each unit so that the manufacturer or initial transferor of the product and the byproduct material in the product can be identified.

Contrary to the above, as of September 22, 2016, Philips Lighting Company, did not label each unit as required. Specifically, the units are not labeled such that the byproduct material in the product can be identified.

This is a Severity Level IV violation (Enforcement Policy Section 6.3).

Pursuant to the provisions of 10 CFR 2.201, Philips Lighting Company is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555, with a copy to the Regional Administrator, Region I, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

If you contest this enforcement action, you should also provide a copy of your response to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001. Under the authority of Section 182 of the Act, 42 U.S.C. 2232, any response which contests an enforcement action shall be submitted under oath or affirmation.

Your response will be placed in the NRC Public Document Room (PDR) and on the NRC Web site. To the extent possible, it should, therefore, not include any personal privacy, proprietary, or safeguards information so that it can be made publically available without redaction. However, if you find it necessary to include such information, you should clearly indicate the specific information that you desire not to be placed in the PDR, and provide the legal basis to support your request for withholding the information from the public.

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days of receipt.

Dated This 14th day of December 2016