

8005071053

U. S. NUCLEAR REGULATORY COMMISSION
OFFICE OF INSPECTION AND ENFORCEMENT
REGION IV

IE Investigation Report No. 80-01

License No. 42-18135-01E

Subject: Texas Time Inc.
2909 Avenue E East
Arlington, Texas 76011

Unauthorized distribution of licensed material to persons exempt
from licensing.

Period of Investigation: January 28, 1980

Investigator:

Lorenzo Wilborn
Lorenzo Wilborn, Radiation Specialist

2/25/80
Date

Reviewed by:

Glen D. Brown
Glen D. Brown, Chief, Fuel Facility and Material
Safety Branch

2/25/80
Date

REASON FOR INVESTIGATION

The NRC Division of Fuel Facilities and Materials Safety Inspection (FFMSI) requested, by memo to Jerry Everett, Acting Chief, FFMS Branch, RIV from Leo B. Higginbotham, Assistant Director, Division of FFMSI, dated January 17, 1980, subject: Unauthorized distribution of licensed material to persons exempt from licensing, that Region IV investigate Texas Time Inc. for its distribution of watches of a specific model and style that are different from those watches authorized for distribution by the NRC "E" license issued to Texas Time Inc. (License No. 42-18135-01E).

SCOPE OF INVESTIGATION

On January 28, 1980, a Region IV Radiation Specialist visited the licensee's facility and interviewed management personnel to determine a past and present status of distribution of watches. The investigation involved two hours at the licensee's facility by one inspector.

DETAILSA. General

On January 28, 1980, a Region IV Radiation Specialist investigated the licensee's distribution of repaired watches to persons exempt from licensing to determine if the distribution is as authorized by the NRC "E" license issued to Texas Time Inc. (License No. 42-18135-01E).

B. Persons Contacted

Authur W. Cruse, President
Leslie D. Ely, Radiation Officer and Production Manager

C. Investigation Findings

Interviews with Texas Time Inc. management personnel revealed that during the period September - October, 1979, they accepted a contractual agreement with Fairchild, an NRC distribution licensee located in California, to receive Fairchild's tritium backlit watches from individuals that purchased them, remove the tritium light sources and send them to Fairchild for repair and upon receipt of the repaired tritium light sources from Fairchild, Texas Time Inc. would reinstall the source in the respective watch and return the watch to the individual owner. Fairchild will eventually phase out of the repair and distribution of its watch modules as authorized by its State of California and NRC licenses, respectively, and Texas Time Inc. will phase into the repair and distribution of these modules as amendments to their State of Texas and NRC licenses are granted, respectively.

Texas Time Inc. had requested a license amendment in a letter to Mr. Nathan Bassin from Joseph E. Gordon, dated November 5, 1979, Control No. 02114 to authorized distribution of watches with modules 08-1293-00, 08-1295-0, 08-1401-00 and 6001405. Mr. Gordon of David Gordon and Company, Larchmont, New York, had been authorized by Texas Time Inc. in a letter to Mr. Nathan Bassin from Authur W. Cruse, dated October 30, 1979, to act on on all matters in their behalf with respect to technical and clerical liaison functions between Texas Time Inc. and the NRC. Through Mr. Gordon's contacts with NRC licensing personnel and Texas Time Inc. personnel, an apparent misunderstanding or misinterpretation occurred in that Texas Time Inc. personnel were purportedly not aware that the return of watches to the individual owner constituted distribution.

D. Conclusion

Texas Time Inc. management personnel were informed that this practice was distribution and constituted an item of noncompliance with their NRC License No. 42-18135-01E in that License Condition No. 3 authorizes Texas Time Inc. to distribute watches of a specific module (1200-LT6) only.

Texas Time Inc. agreed to cease distribution of repaired watches to persons exempt from licensing until such time that its NRC license is amended to authorize such distribution.



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 1000
ARLINGTON, TEXAS 76012

License No. 42-18135-01E

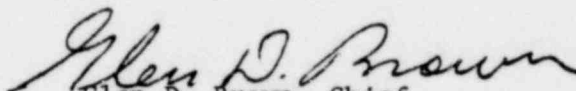
14 MAR 1980

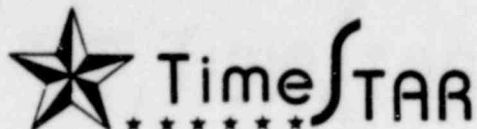
Texas Time, Inc.
Attn: Arthur W. Cruse
President
2909 Avenue E. East
Arlington, Texas 76011

Gentlemen:

Thank you for your letter of March 6, 1980, in response to our letter and the attached Notice of Violation dated February 28, 1980. We have no further questions at this time and we will review your corrective action during a future inspection.

Sincerely,


Glen D. Brown, Chief
Fuel Facility and Material
Safety Branch



March 6, 1980

United States Nuclear Regulatory Commission
Region IV
611 Ryan Plaza Drive, Suite 1000
Arlington, Texas 76012

Attention: Mr. Glen D. Brown, Chief
Fuel Facility and Material
Safety Branch

Reference: License No. 42-18135-01E
Your letter dated 28 Feb. 1980

Dear Mr. Brown:

This will acknowledge your above referenced letter which we feel is fairly stated with the exception as is indicated below:

Page 2 DETAILS

Paragraph C - Investigation Findings

Starting in line five, we request that the indicated lines (copy attached) be changed to the following which will more accurately describe our past activity:

remove the module containing tritium light sources from the watch case and send the module to Fairchild for repair, and upon receipt of the module from Fairchild, Texas Time would reinstall the re-manufactured module into the respective watch case and return the watch to the individual owner.

Information

Historical Background of Texas Time, Inc. in relation with Fairchild Camera and Instrument Corporation

Fairchild Consumer Products Division manufactured and sold over eight million digital watches of which the greater percentage did not contain tritium light sources, and consequently are not subject to NRC Regulations; however, as a manufacturer, they are liable for their stated warranties and a continued support of their products for an extended period of time. Fairchild elected



Texas Time Inc.
2909 Avenue E East
Arlington, Texas 76011
817-469-9222

Mr. Glen D. Brown
U.S. Nuclear Regulatory Commission
March 6, 1980
Page 2

to discontinue their manufacture and distribution of all Time Products and, in their interest of closing down, Fairchild Time Products Division entered into an agreement with Texas Time, Inc. to fulfill this continuing obligation for them.

The watches being returned by individuals for whatever reason are individually packed and without identification. Only after the watch is unpackaged by us can it be identified as containing tritium.

Texas Time, Inc. Past Procedure

1. To receive the watch, determine customer complaint and initiate individual work orders.
2. Watches containing tritium are routed to our Restricted and State Approved Tritium Area where the back of the watch is removed, module removed from case and in lots of approximately 50 are forwarded to Fairchild in California for necessary re-manufacture of the module. Upon receipt of the re-manufactured modules by Fairchild, Texas Time, Inc. would re-insert this module (under Air Monitored Conditions) into the watch case, repackage and return to the owner.

In recognition of the NRC Requirements, Texas Time, Inc., through the assistance of David Gordon & Company, Larchmont, New York, had made application with the NRC (assigned Control No. 02114) in late October of 1979 to have all Fairchild Time Products Division manufacturing, engineering and distribution rights transferred to Texas Time, Inc. at this address. Our best determination is that this should occur at a very early date.

Corrective Action

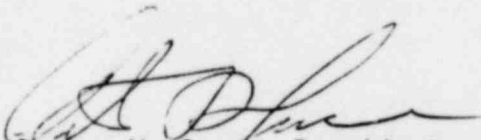
1. Currently all Fairchild watches received containing tritium are being held in a secure area with no repair being made.
2. Corrective action being taken is our continued effort with the NRC, Washington, D.C., to have all engineering, manufacturing and distribution rights under Fairchild NRC License transferred to Texas Time, Inc., this address. The date when full compliance is expected is subject to NRC approval to this application, which we expect to be soon.

Mr. Glen D. Brown
U.S. Nuclear Regulatory Commission
March 6, 1980
Page 3

3. Currently all Fairchild watches containing tritium sources that are received, are being held in a secure area without any repair activity. If NRC approval is not received within a reasonable time, we will ask for approval to return these watches to their respective owners without repair or service.

Yours very truly,

TEXAS TIME, INC.



Arthur W. Cruse, President

AWC:vh

Attachment

DETAILSA. General

On January 28, 1980, a Region IV Radiation Specialist investigated the licensee's distribution of repaired watches to persons exempt from licensing to determine if the distribution is as authorized by the NRC "E" license issued to Texas Time Inc. (License No. 42-18135-01E).

B. Persons Contacted

Authur W. Cruse, President

Leslie D. Ely, Radiation Officer and Production Manager

C. Investigation Findings

Interviews with Texas Time Inc. management personnel revealed that during the period September - October, 1979, they accepted a contractual agreement with Fairchild, an NRC distribution licensee located in California, to receive Fairchild's tritium backlit watches from individuals that purchased them, ~~*remove the tritium light sources and send them to Fairchild for repair and upon receipt of the repaired tritium light sources from Fairchild, Texas Time Inc. would reinstall the source in the respective watch and return the watch to the individual owner.~~ Fairchild will eventually phase out of the repair and distribution of its watch modules as authorized by its State of California and NRC licenses, respectively, and Texas Time Inc. will phase into the repair and distribution of these modules as amendments to their State of Texas and NRC licenses are granted, respectively.

Texas Time Inc. had requested a license amendment in a letter to Mr. Nathan Bassin from Joseph E. Gordon, dated November 5, 1979, Control No. 02114 to authorized distribution of watches with modules 08-1293-00, 08-1295-0, 08-1401-00 and 6001405. Mr. Gordon of David Gordon and Company, Larchmont, New York, had been authorized by Texas Time Inc. in a letter to Mr. Nathan Bassin from Authur W. Cruse, dated October 30, 1979, to act on on all matters in their behalf with respect to technical and clerical liaison functions between Texas Time Inc. and the NRC. Through Mr. Gordon's contacts with NRC licensing personnel and Texas Time Inc. personnel, an apparent misunderstanding or misinterpretation occurred in that Texas Time Inc. personnel were purportedly not aware that the return of watches to the individual owner constituted distribution.