

JAN 31 1984

Docket No. 030-12704 ✓

License No. 37-03572-06

Hamilton Watch Company
ATTN: Mr. Paul Karpousiz
Vice President of Operations
941 Wheatland Avenue
Lancaster, Pennsylvania 17604

Gentlemen:

Subject: Inspection No. 030-12704/83-01

This refers to the routine safety inspection conducted by Ms. N. Dennis of this office on December 8, 1983, of activities authorized by NRC License No. 37-03572-06 and to the discussions of our findings held by Ms. Dennis with Messers. D. Fenwick, R. Amin, and P. McKinney of your staff at the conclusion of the inspection.

The inspection was an examination of activities conducted under your license as they relate to radiation safety and to compliance with the Commission's rules and regulations and the conditions of your license. The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, measurements made by the inspector, and observations by the inspector.

Based on the results of this inspection, it appears that certain of your activities were not conducted in full compliance with NRC requirements, as set forth in the Notice of Violation, enclosed herewith as Appendix A. This violation has been categorized by severity level in accordance with the NRC Enforcement Policy (10 CFR 2, Appendix C) published in the Federal Register Notice (47 FR 9987) dated March 9, 1982. You are required to respond to this letter and in preparing your response, you should follow the instructions in Appendix A. In addition to the need for corrective action regarding these specific violations, we are concerned about the implementation of your management control systems that permitted them to occur. Consequently, in your reply, you should describe in particular, those actions taken or planned to improve the effectiveness of your management control systems.

From the discussions at the conclusion of the inspection, it is our understanding that you will submit a revised inventory of the total TLQ modules in stock. Information gathered during the inspection indicates that additional modules have been purchased since your letter of November 8, 1982. Please include this information in response to this letter.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and your reply will be placed in the Public Document Room.

The responses directed by this letter and the accompanying Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

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Hamilton Watch Company

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Your cooperation with us in this matter is appreciated.

Sincerely,

Original Signed By:
John D. Kinneman

JDM Thomas T. Martin, Director
Division of Engineering and
Technical Programs

Enclosure: Appendix A, Notice of Violation

cc w/encl:
Public Document Room (PDR)
Nuclear Safety Information Center (NSIC)
Commonwealth of Pennsylvania

bcc w/encl:
Region I Docket Room (w/concurrences)
Senior Operations Officer (w/o encl)

JDK
RI:DETP
Dennis/slf
1/10/84

JDK
RI:DETP
Kinneman
1/27/84

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