

MAR 22 1985

Docket No. 030-06106
Inquiry No. 85-01

License No. 37-03572-02E
Expiration Date: March 31, 1984

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

Gentlemen:

Subject: NOTICE OF VIOLATION

This refers to the telephone discussion between Laurence F. Friedman, Ph.D., C.H.P., of this office and yourself on January 28, 1985. The subject of the discussion was the fact that NRC records show that the license identified above has expired and no renewal application has been filed in accordance with Section 30.37 of Title 10, Code of Federal Regulations, Part 30.

From this discussion we learned that you still possess material which requires a specific NRC license. Your possession of that material without a valid, specific license is a violation of Section 30.3 of 10 CFR Part 30. Section 30.3 states:

"Except for persons exempt as provided in this part and Part 150 of this chapter, no person shall manufacture, use, import, or export byproduct material, except as authorized in a specific or general license issued pursuant to the regulations in this chapter."

This Notice of Violation is sent to you under the provisions of Section 2.201 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations. Section 2.201 requires you to submit to this office a written statement or explanation in reply including: (1) corrective steps which have been taken by you, and (2) corrective steps which will be taken to avoid this happening in the future.

Since you plan to continue possession of radioactive material, your corrective steps must include prompt filing of an application. From the January 28, 1985, telephone conversation we understand that you plan to amend your License Number 37-03572-06 to include material currently covered under License Number 37-03572-02E. License Number 37-03572-02E can then be retired, since your distribution to persons exempt from licensing is currently covered under License Number 37-03572-08E. If our understanding is incorrect, please inform

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this office immediately. You must determine if your program is subject to a license fee as required by Section 170.31 of 10 CFR Part 170 and, if one is required, submit the appropriate fee along with the application. Copies of appropriate application forms and guides are enclosed for your use.

Also, you must immediately place the radioactive material on hand covered by this license in secure storage until such time as you acquire a valid license. No other use of the material on hand or purchase of additional material is authorized. Include a statement in your reply to this Notice of Violation confirming that you have taken this action and describing the controls that will be exercised over the stored material until such time that you obtain a valid license.

You are required to reply to this Notice within 30 days of the date above. Address your reply to Region I, U. S. Nuclear Regulatory Commission, Attention: Chief, Nuclear Materials Safety Section B, 631 Park Avenue, King of Prussia, Pennsylvania 19406.

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 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.

We request that you give prompt attention to these matters. Should you have any questions regarding them, we would be pleased to discuss them with you.

Sincerely,

Original Signed By:

John E. Glenn

John E. Glenn, Ph.D., Chief
Nuclear Materials Safety Section B
Division of Radiation Safety
and Safeguards

Enclosures:

1. NRC Form 313
2. 10 CFR Parts 2, 19, 20, 30, and 170
3. Regulatory Guide 10.7

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

bcc:
Region I Docket Room (w/concurrences)

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