

APPENDIX A
NOTICE OF VIOLATION

Hamilton Watch Company, Inc.
Lancaster, Pennsylvania 17604

Docket Nos. 030-20570
030-12704
License Nos. 37-03572-08E
37-03572-06

As a result of the inspection conducted on June 17 and 24, 1986, and in accordance with the NRC Enforcement Policy (10 CFR 2, Appendix C), the following violations were identified:

- A. 10 CFR 30.3 requires that no person possess, transfer, or use by-product material except as authorized by a specific or general license issued pursuant to Title 10, Chapter 1, Code of Federal Regulations.

Contrary to the above, on April 1, 1984, Hamilton Watch Company, Inc. possessed watches and watch parts containing material which requires a specific NRC license and continued to import and possess additional watches containing by-product material during the time interval from April 1, 1984 to October 23, 1985, without a valid license. In addition, Hamilton Watch Company, Inc. distributed (transferred) watches containing hydrogen-3 and promethium-147 paint during the interval of April 1, 1984 to May 2, 1986, without a valid license authorizing distribution.

This is a Severity Level IV violation (Supplement VI)

- B. 10 CFR 30.34(c) requires that each licensee confine his possession and use of by-product materials to the locations and purposes authorized by the license. Condition 10 of License No. 37-03572-06 requires that licensed material be used only at 941 Wheatland Avenue, Lancaster, Pennsylvania.

Contrary to the above, on June 17, 1986, Swatch brand watches containing hydrogen-3 paint were possessed at 1817 William Penn Way, Lancaster, Pennsylvania, a location not authorized by the license.

This is a Severity Level IV violation. (Supplement VI)

- C. 10 CFR 32.16 requires that each person licensed under 32.14 submit a report to the Commission within thirty days after:

- (1) Five years after filing the preceding report; or
- (2) Filing an application for renewal of the license. The report must include the total quantity of the radionuclide in each type of product and the number of units of each type of product transferred during the reporting period.

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Contrary to the above, a report sent to the Commission dated March 21, 1985 intended to meet the requirements of 10 CFR 32.16 did not include the required data for all the watches containing by-product material that were transferred by the licensee during the reporting period. Specifically, no information was included in the report concerning the transfers of Certina, Omega, and Swatch brand watches that contained by-product material.

This is a Severity Level IV violation. (Supplement VI)

- D. Condition 14 of License No. 37-03572-06 requires that licensed material be possessed and used in accordance with statements, representations and procedures contained in a letter dated October 2, 1985.

Item 3 of the letter dated October 2, 1985 requires that bioassays be performed on operators quarterly.

Contrary to the above, as of June 17, 1986, no bioassay was performed on any of the operators during the first quarter of 1986.

This is a Severity Level IV violation. (Supplement VI)

- E. Condition 8 of License No. 37-03572-08E requires that each lot of timepieces, hands, and dials received by the licensee containing tritium or promethium-147 must be accompanied by a certificate which attests to the fact that the watches have been subjected to a specified quality control program.

Contrary to the above, as of June 17, 1986, each lot of Swatch brand watches was not accompanied by the required certificate.

This is a Severity Level IV violation. (Supplement VI)

Pursuant to the provisions of 10 CFR 2.201, Hamilton Watch Company, Inc. is hereby required to submit to this office within thirty days of the date of the letter which transmitted this Notice, a written statement or explanation in reply, including: (1) the corrective steps which have been taken and the results achieved; (2) corrective steps which will be taken to avoid further violations; and (3) the date when full compliance will be achieved. Where good cause is shown, consideration will be given to extending this response time.