



a company of SMH Swiss Corporation for Microelectronics and Watchmaking Industries Ltd

November 21, 1986

Mr. Thomas T. Martin, Director
United States Nuclear Regulatory Commission
Region I
Division of Radiation Safety and Safeguards
631 Park Avenue
King of Prussia, PA 19406

Dear Mr. Martin:

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

The following data is in response to the June 17, 1986, safety inspection of our facilities in Lancaster, Pennsylvania. The inspection is relevant to activities authorized by NRC License Nos. 37-03572-08E and 37-03572-06.

Please review the information that is listed by items of your Appendix A - Notice of Violation of the above-mentioned safety inspection (Attachment #1).

Item 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.

Response - The license to possess (#37-03572-06) and the license to distribute (#37-03572-08E) have been amended to be able to possess and distribute watches that contain by-product materials. A new administration has been designated by Corporate Management to eliminate the possibility of any license expiring or not be properly updated. The new Radiation Safety Officer is Thomas E. Deitzler with an Assistant of Joseph C. Sabo.

These two gentlemen head a committee of seven management members which meet monthly to discuss pertinent information regarding both licenses. Minutes are published and follow-up committees are formed to ensure against further violation (Attachment #2).

Both licenses have been amended per the discussion we held with Mr. John Miller. I have enclosed the following two copies which are:

Attachment #3 - License #37-03572-08E (Distribution)

Attachment #4 - License #37-03572-06 (Possession)

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Item B - 10 CFR 30.34(C) requires that each licensee confirms 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.

Response - Possession and distribution amendments have been amended in both licenses to cover the 1817 William Penn Way facility. I have highlighted this amendment on Attachment #3 and Attachment #4 under Item A mentioned earlier.

Item C - 10 CFR 32.16 requires that each person licensed under 32.14 submit a report to the Commission within 30 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.

Response - I have made arrangements with Mr. B. Carrico of the Washington, DC, office to have a year-end summary of all brands distributed from 1984 to the end of 1986, by model, sent to his attention by the end of January 1987.

This summary will include:

1. Hamilton - January, 1984 through December, 1986
2. Certina - May, 1984 through December, 1986
3. SWATCH - June, 1984 through December, 1986
4. Omega - January, 1986 through December, 1986

This report will be issued at year-end to Mr. B. Carrico's division of the NRC in Washington, DC. NOTE: Many hours were spent by our management team to develop an on-line system to give accurate and timely information regarding units containing by-product material.

Item 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.

Response - I have enclosed copies of invoices, memos, and tests results over the past two months which will verify we have asserted efforts with the bioassays and swipe tests (Attachment #5). These tests are performed by the following firm (see Page 3):

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Radiation Physics, Inc.
10133 Bacon Drive
Beltsville, MD 20705
Atten: Mr. Louis M. Rubin, President

We have responded by testing on a monthly basis for the remainder of 1986. For 1987, since all of our results are within regulation guidelines, we will have quarterly testing. These tests are performed by D. R. Klein, Supervisor-Assembly Operations, and T. E. Deitzler, Radiation Safety Officer.

Item 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.

I have enclosed invoices which state the SWATCH watches imported have been in accordance with the European Nuclear Energy Agency standards (Attachment #6).

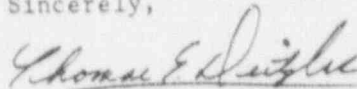
NOTE: Mr. Paul D. Karpouzis is no longer with our company. All correspondence should be sent to:

SMH, Inc.
Mr. T. E. Deitzler
Radiation Safety Officer
941 Wheatland Avenue
Lancaster, PA 17604

Please call me at 717-394-7161, Ext. 2133 if you have any further questions regarding the responses in this letter.

I would like to thank all of the individuals in the Commission who gave us assistance in updating our licenses and directing us with steps of corrective action. Special thanks goes to Mr. John Miller, Health Physicist of the Region I office, who inspected us in June and kept in close touch to ensure we could resolve any problem or question.

Sincerely,



Thomas E. Deitzler
Radiation Safety Officer &
Director, Watch Manufacturing

TED:whd

Attachments

CC: John Miller, Region I
Bruce Carrico, Washington, DC
Thomas J. Middleton, Vice-President, Logistics/Operations
Joseph C. Sabol, Assistant Radiation Safety Officer