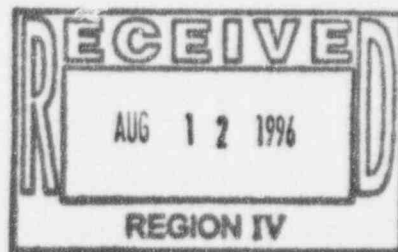


July 24, 1996



Ross A. Scarano, Director
Division of Nuclear Materials Safety
Nuclear Regulatory Commission
Region IV
611 Ryan Plaza Drive, Suite 400
Arlington, Texas 76011-8064

Dear Mr. Scarano:

I recently received your letter of June 26 summarizing the information related to Syncor's delivery of radiopharmaceuticals from our Grand Rapids, Michigan facility and your letter of July 18, 1996, detailing the resolution of findings of an inspection in Syncor's Hummelstown, PA facility. I clearly understand the resolution on both of these issues.

At our June 10 meeting in your offices in Dallas, we discussed the heightened need for effective communication now that NRC has issued Syncor a consolidated license. I want to reconfirm my personal commitment to address this need and to provide you with an update on measures Syncor has taken since that time to improve communications with our NRC pharmacies on issues related to compliance.

On July 1, our Quality and Regulatory staff initiated an internal newsletter that will be sent to all Syncor's pharmacy managers in NRC states, pharmacy location Radiation Safety Officers, pharmacists, and field middle managers who have responsibility for pharmacies under NRC jurisdiction. This newsletter will provide each of these individuals with an in-depth discussion of items related to our consolidated license, NRC notices of violation, and relevant events that could have resulted in compliance issues. We intend to use this newsletter as a communication vehicle that will support continuous quality improvement of our compliance program.

The initial issue of this newsletter focused on the parking lot transfer that had been the practice in Grand Rapids. In the analysis and discussion of this prior practice, we have again directed the managers and RSO's to contact our Quality and Regulatory Department for guidance when making decisions that involve interpretation of license conditions or regulations. The second issue of the newsletter will include a discussion of the disposal of biohazardous and radioactive materials as well as a review of the

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need to comply with the conditions of license while applying for an exemption or license amendment.

We will continue to publish this newsletter on a regular basis in order to strengthen communications on issues pertinent to Syncor's NRC consolidated license. Since this newsletter is an internal document, it will not be distributed beyond Syncor. We will supplement this effort with other, more time critical communication utilizing E-mail, phone mail and even teleconferencing as required by the subject matter.

I also want to provide you with an update on my new role at Syncor. Gene McGrevin has resigned from Syncor International to pursue other business interests and the Syncor Board Of Directors has elected me President and Chief Executive Officer of the company. In my new role I will continue to be available to you as I indicated at our meeting in Dallas.

You have my personal assurance that Syncor is committed to achieving and maintaining a high level of regulatory compliance and safety in all our operations. We will continue to invest significant resources each year to fulfill this commitment. The safe use of radioactive materials will continue to be a core value in Syncor's culture. Our Company's statement of values clearly expresses this commitment - that the health and safety of our employees, customers, and community will never be compromised.

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert G. Funari".

Robert G. Funari
President and CEO

cc: Jack Coffey
Kathy Seifert