

JAN 29 1986

Docket No. 030-03846
Inquiry No. 86-01

License No. 06-13741-01
Expiration Date: July 31, 1985

Consolidated Cigar Corporation
ATTN: Mr. Federo
Manager, Research and Development
McAdoo-Tresckow Roads
McAdoo, Pennsylvania 18237

Gentlemen:

Subject: NOTICE OF VIOLATION

This refers to the telephone discussion between Steven Courtemanche of this office and yourself on January 10, 1986. 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 for a new license. Since your present license has expired, your application will be processed as a request for a new license. Accordingly, 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 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

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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 Section A, 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:

Francis M. Costello

John D. Kinneman, Chief

Nuclear Materials Safety Section A

Division of Radiation Safety

and Safeguards

Enclosures:

1. NRC Form 313
2. NRC Form 314
3. Guide to Nonportable Gauges

cc:

Public Document Room (PDR)

Nuclear Safety Information Center (NSIC)

Commonwealth of Pennsylvania

bcc:

Region I Docket Room (w/concurrences)

Steven Courtemanche

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