



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

October 29, 1999

Novastar Corporation
ATTN: Mr. James Boyle,
President
406 West Depot Street
Fairfield, Iowa 52556

Dear Mr. Boyle:

I am writing to you in order to describe the application process for obtaining a Nuclear Regulatory Commission (NRC) license pursuant to Section 32.11, 10 CFR Part 32, authorizing the initial distribution of products and materials, such as exempt concentrations added to metals, to persons exempt from licensing. In order to possess and use byproduct material, you must first satisfy the general requirements of 10 CFR 30.33. We understand you currently have a State of Iowa license for this purpose.

As an applicant wishing to distribute or initially transfer products containing byproduct material, such as irradiated gemstones, to persons exempt from licensing, you must apply for and obtain an exempt distribution license from the NRC Headquarters office. The product information to be submitted for your distribution license is outlined in 10 CFR Part 32, specifically in Sections 32.11 and 32.12, and in NUREG-1562.

Your application for a distribution license should not contain information concerning the possession and use of radioactive material as covered in your possession license. Therefore, you should answer only questions 1 through 6, and 12 and 13 for your distribution license application on the enclosed NRC Form 313, and submit your distribution application, in duplicate, to the U.S. Nuclear Regulatory Commission, Office of Nuclear Material Safety and Safeguards, Division of Industrial and Medical Nuclear Safety, Washington, DC 20555.

Regarding the fees required, please contact Ms. Sandra Kimberley, of the License Fee and Accounts Receivable Branch, at (301) 415-6096, for further information. Payment of fees should be mailed with the appropriate application package.

NRC FILE CENTER COPY

99-189

DF03

For your use in applying for a distribution license, I have enclosed reference copies of NUREG-1562, "Standard Review Plan for Applications for Licenses to Distribute Byproduct Material to Persons Exempt from the Requirements for an NRC License" and 10 CFR Parts 30, 32, 170, and 171.

If you have any additional questions, please contact me at (301) 415-6140.

Sincerely,

TSI

Traci Kime
 Materials Safety and Inspection Branch
 Division of Industrial and
 Medical Nuclear Safety
 Office of Nuclear Materials Safety
 and Safeguards

- Enclosures:
1. NRC Consumer Product Policy
 2. NUREG-1556, Vol. 8
 3. 10 CFR Parts 30, 32
 4. 10 CFR 2 (Petition for Rulemaking)

DISTRIBUTION:

NRC File Room IMNS r/f FSturz PDR

Document Name: H:\EXEMPT\32.11\APPLTRS\Goldman

C = COVER E = COVER & ENCLOSURE N = NO COPY

OFC	MSIB						
NAME	<i>TK</i> TKime						
DATE	10/29/99						

OFFICIAL RECORD COPY