



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

January 8, 2003

Docket Nos. 03036064
03034615
Control Nos. 131702
131703

License Nos. 31-30746-01
06-30423-01

Ioan G. Crihan, P.E.
President
Megarad, Inc.
417 East 64th Street
New York, NY 10021

SUBJECT: MEGARAD, INC., ISSUANCE OF LICENSE TERMINATION AND ISSUANCE
OF NEW LICENSE, CONTROL NOS. 131703 AND 131702

Dear Mr. Crihan:

This refers to your Radiation Safety Officer's (RSO's) letter dated December 26, 2001 regarding a change to your storage location. Since that time, we have requested additional information on several occasions and have received some of the required information, but not a complete response. In your application dated October 7, 2002, you indicated that you do not wish to terminate your NRC license. So that you may maintain an NRC license, we are issuing the enclosed new license (License No. 31-30746-01). This license does not authorize possession or use of material until the actions described in License Conditions 11, 12, 13, and 17 have been accomplished. Please note that the expiration date on this license is the same as License No. 06-30423-01.

Since we issued a new license, Amendment No. 3 terminating License No. 06-30423-01 as requested by your RSO's letters dated December 26, 2001, May 14, 2002, and your application dated October 1, 2002 is enclosed. This termination is being issued in accordance with the requirements of the applicable NRC License Termination Rule (10 CFR 30.36, 10 CFR 40.42, and 10 CFR 70.38).

Please review the enclosed documents carefully and be sure that you understand and fully implement all the conditions incorporated into the amended license. If there are any errors or questions, please notify the U.S. Nuclear Regulatory Commission, Region I Office, Licensing Assistance Team, (610) 337-5239, so that we can provide appropriate corrections and answers.

The NRC is required to have your Taxpayer Identification Number in order to make payments (refunds). The self-addressed, stamped NRC Form 531, "Request for Taxpayer Identification Number," is enclosed.

The NRC expects licensees to conduct their programs with meticulous attention to detail and high standards of compliance. Because of the serious consequences to employees and the public that can result from failure to comply with NRC requirements, you must conduct your program according to NRC regulations, the conditions of your NRC license, and the representations made in your application. In particular, note that you must:

1. Operate in accordance with NRC regulations 10 CFR Part 19, "Notices, Instructions and Reports to Workers; Inspections," 10 CFR Part 20, "Standards for Protection Against Radiation," and other applicable regulations.
2. Notify the NRC in writing of any change in mailing address.
3. **In accordance with 10 CFR 30.36(d), notify the NRC, promptly, in writing, and request termination of the license:**
 - a) when you decide to terminate all activities involving materials authorized under the license; or
 - b) **if you decide not to acquire or possess and use authorized material.**
4. Request and obtain a license Amendment before you:
 - a) change Radiation Safety Officers;
 - b) order byproduct material in excess of the amount, or radionuclide, or form different than authorized on the license; or
 - c) add or change the areas of use, or addresses of use identified in the license application or on the license; or
 - d) change the name or ownership of your organization.
5. Submit a complete renewal application or termination request at least 30 days before the expiration date of your license. You will receive a reminder notice approximately 90 days before the expiration date. Possession of byproduct material after your license expires is a violation of NRC regulations.
6. If you file reciprocity with an Agreement State, you must receive approval from the Agreement State prior to initiating licensed activities.

In addition, please note that NRC Form 313 requires the applicant, by signature, to verify that the applicant understands that all statements contained in the application are true and correct to the best of the applicant's knowledge. The signatory for the application should be the licensee or a certifying official of the licensee rather than a consultant.

I. Crihan
Megarad, Inc.

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You will be periodically inspected by the NRC. Failure to conduct your program in accordance with NRC regulations, license conditions, and representations made in your license application and supplemental correspondence with NRC will result in enforcement action against you. This could include issuance of a notice of violation, or imposition of a civil penalty, or an order suspending, modifying or revoking your license as specified in NUREG 1600, "General Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy).

In accordance with 10 CFR 2.790, a copy of this letter will be placed in the NRC Public Document Room and will be accessible from the NRC Web site at <http://www.nrc.gov/reading-rm.html>.

Thank you for your cooperation.

Sincerely,

Original signed by John D. Kinneman

John D. Kinneman, Chief
Nuclear Materials Safety Branch 2
Division of Nuclear Materials Safety

Enclosures:

1. License No. 31-30746-01 (new)
2. Amendment No. 3 of License No. 06-30423-01 (termination)
3. NUREG-1556, Volume 2
4. NRC Forms 3, 313, 314 and 531
5. 10 CFR 19, 20, 21, 30, 34, 71, 170, and 171
6. Section 206 of the Energy Reorganization Act of 1974
7. NUREG 1600, General Policy and Procedure for NRC Enforcement Actions (Enforcement Policy)
8. Sealed Source and Device Registrations: NR-0628-D-118-S and NR-0628-D-121-S

cc w/encl:

Garry Balestracci, Radiation Safety Officer

cc w/encl#1:

New York Department of Labor

I. Crihan
Megarad, Inc.

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DATE	1/6/2003		1/6/2003		1/8/2003			

OFFICIAL RECORD COPY

MATERIALS LICENSE

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations, Chapter I, Parts 30, 31, 32, 33, 34, 35, 36, 39, 40, and 70, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations, and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

Licensee		
1. Megarad, Inc.		3. License number 31-30746-01
2. 417 East 64 th Street New York, New York 10021		4. Expiration date March 31, 2009
		5. Docket No. 030-36064 Reference No. 06-30423-01/030-34615
6. Byproduct, source, and/or special nuclear material	7. Chemical and/or physical form	8. Maximum amount that licensee may possess at any one time under this license
A. See Condition 10	A. Sealed sources	A. See Condition 10
B. Uranium, Natural or Depleted	B. Shielding material	B. 999 kilograms
9. Authorized use:		
A. Industrial radiography; underwater radiography in accordance with License Condition 17.		
B. Shielding for radiographic equipment.		

CONDITIONS

10. Sealed sources, exposure devices, and source changers authorized for use are as follows:

<u>Isotope</u>	<u>Manufacturer & Model No. of Source Assemblies</u>	<u>Maximum Activity per Source</u>	<u>Manufacturer & Model No. of Exposure Devices</u>	<u>Manufacturer & Model No. of Source Changers</u>
Ir-192	Amersham Model 86520	240	Amersham Model 865	Source exchange must be performed by manufacturer

**MATERIALS LICENSE
SUPPLEMENTARY SHEET**License Number
31-30746-01

Docket Number 030-36064

Reference Number 06-30423-01/030-34615

11. A. Licensed material may be used only at temporary job sites of the licensee anywhere in the United States where the U.S. Nuclear Regulatory Commission maintains jurisdiction for regulating the use of licensed material, including areas of exclusive Federal jurisdiction within Agreement States provided the following commitments are completed.

If the jurisdiction status of a Federal facility within an Agreement State is unknown, the licensee should contact the Federal agency controlling the job site in question to determine whether the proposed job site is an area of exclusive Federal jurisdiction. Authorization for use of radioactive materials at job sites in Agreement States not under exclusive Federal jurisdiction shall be obtained from the appropriate state regulatory agency.

- B. Prior to the performance of licensed activities at temporary job sites in NRC jurisdiction:
- i. the NRC must receive written notification at least 7 days in advance of the commencement of work; and
 - ii. licensed activities cannot commence until the NRC has given written approval to do so.
12. A. Prior to receipt of licensed material, the NRC must receive written notification of your intent to possess licensed material and approve a storage location. If the storage location will be in NRC jurisdiction, the licensee must amend this license to specifically identify the place of storage; provided the place of storage is not occupied by another licensee.
- B. If licensed material will be stored at another licensed facility:
- i. the licensed material shall be transferred to and stored in accordance with the requirements of the licensed facility; and
 - ii. a written contractual agreement signed by both parties shall be furnished to the NRC. This written contractual agreement shall state that licensed material will only be transferred to and used under this license for the purpose of performing licensed activities at an approved temporary job site in accordance with Condition 11 of this license.
13. If you do not possess licensed material for a period of 24 consecutive months, you shall notify the NRC of your intention to decommission and terminate your license in accordance with 10 CFR 30.36(d).

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Reference Number 06-30423-01/030-34615

14. Licensed material shall be used by, or under the supervision and in the physical presence of individuals who have been designated in writing by the Radiation Safety Officer and have been trained:
- A. As specified in the application dated December 22, 1997 and the letters dated May 18, 1998 and July 9, 1998; and
 - B. In accordance with the provisions of 10 CFR 34.43.
15. The Radiation Safety Officer for this license is Garry L. Balestracci.
16. In addition to the possession limits in Item 8, the licensee shall further restrict the possession of licensed material to quantities below the minimum limit specified in 10 CFR 30.35(d), 40.36(b), and 70.25(d) for establishing decommissioning financial assurance.
17. In order to conduct underwater radiography, the licensee must submit and have approved procedures in accordance with 10 CFR 34.41(c).
18. Notwithstanding the periodic leak test required by 10 CFR 34.27(c)(1) and (e), the requirement does not apply to radiography sources that are stored and not being used. The sources excepted from this test shall be tested for leakage before use or transfer to another person. No sealed source shall be stored for a period of more than 3 years without being tested for leakage and/or contamination.
19. Sealed sources containing licensed material shall not be opened or sources removed from source holders by the licensee.
20. The licensee is authorized to transport licensed material in accordance with the provisions of 10 CFR Part 71, "Packaging and Transportation of Radioactive Material."

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21. Except as specifically provided otherwise in this license, the licensee shall conduct its program in accordance with the statements, representations, and procedures contained in the documents, including any enclosures, listed below. The U.S. Nuclear Regulatory Commission's regulations shall govern unless the statements, representations, and procedures in the licensee's application and correspondence are more restrictive than the regulations.

- A. Application dated December 22, 1997
- B. Letter dated May 18, 1998
- C. Letter dated July 9, 1998
- D. Facsimile dated November 24, 1998
- E. Letter dated February 18, 1999



For the U.S. Nuclear Regulatory Commission

Date January 6, 2003By **Original signed by John D. Kinneman**

John D. Kinneman, Chief
Nuclear Materials Safety Branch 2
Division of Nuclear Materials Safety
Region I
King of Prussia, Pennsylvania 19406