



berthold systems, inc.™
An Employee Owned Company

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March 14, 2003

William R. Ward
Office of Nuclear Materials, Safety & Systems
Mail Stop T-8 F5
US Nuclear Regulatory Commission
Washington DC 20555

Subject: Cancellation of Gammatrol Acquisition

Dear Sir:

On December 30, 2002, BSI Instruments decided that it was necessary to cancel our acquisition of the Gammatrol line. Enclosed is a copy of the letter we sent to Canberra.

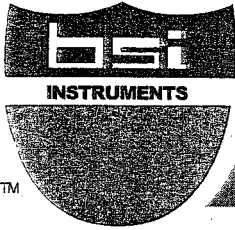
After Gary's departure in October 2002, we found that our field personnel had not been sufficiently trained on the Gammatrol equipment and that vendors for parts and supplies had not been brought aboard. At that point, completion of the registration was no longer the problem. We were simply not able to provide adequate service and support for the Gammatrol devices.

I regret that I failed to notify you when the decision was made. I also regret that all your effort on this project has been wasted, especially when the NRC has such serious public safety concerns to deal with due to the terrorist threat.

Please feel free to call me at 724-318-1900 x3031 or e-mail me at kandl@sgi.net if you have questions or need further information.

Best regards,

Edwina Milicic



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December 30, 2002

Terry Schwagger, RSO
Canberra Industries
125 Titus Ave
Warrington, PA 18976

Re: Cancellation of Acquisition of the Gammatrol Line

Dear Terry:

As you know, the transfer agreement between Berthold Systems (BSI) and Canberra dated March 5, 2002 mentioned a date of May 1, 2002 for BSI to obtain the license then under review by the NRC. BSI had been pursuing that license since March 6, 2001.

As the months dragged on, in spite of repeated calls to the NRC by both companies, we were unable to get the license necessary to work with the Gammatrol shields. In addition, since October, Gary Robertson is no longer here to answer technical questions, train our staff, and work with parts manufacturers as is necessary to support the Gammatrol detectors and electronics. If the license had not taken so long, we would have been able to sell the Gammatrol systems more aggressively, our staff would have been trained and parts suppliers would have been brought on board in the process. Now, all these things are no longer possible.

Given this situation, we have no choice but to cancel our acquisition of the Gammatrol line. We deeply regret that all the hard work everyone did has come to naught.

On August 8, 2002, we accepted a shipment of sources and shields in anticipation of receiving the license very soon afterward. Please advise us as to what should be done with the Gammatrol devices presently in our cage.

Regards,

Linda Cicconi
Berthold Systems, Inc.