

October 3, 1996

ARCTECH, Inc.  
ATTN: Dr. Daman Walia  
President  
14100 Park Meadow Drive  
Suite 210  
Chantilly, VA 22021

SUBJECT: NRC INSPECTION REPORT NO. 45-25116-01/96-01

Dear Dr. Walia:

Thank you for your response of September 26, 1996, to our Notice of Violation, issued on August 27, 1996, concerning activities conducted under NRC License No. 45-25116-01. We have evaluated your response and found that it meets the requirements of 10 CFR 2.201. We will examine the implementation of your corrective actions during future inspections.

We appreciate your cooperation in this matter.

Sincerely,

(original signed by  
E. G. Wright)

Charles M. Hosey, Chief  
Materials Licensing/Inspection  
Branch 1  
Division of Nuclear Materials Safety

Docket No. 030-31885  
License No. 45-25116-01

cc: Commonwealth of Virginia

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11555 Rockville Pike  
Rockville, MD 20852

September 26, 1996

Subject: Reply to Notice of Violation (Docket No. 030-32959)

Re: NRC Inspection Report No. 45-25116-01/96-01 and Notice of Violation

Dear Sir or Madam:

The following letter is in response to the Notice of Violation sent by the U.S. NRC on August 27, 1996 and received on September 3, 1996.

**Violation A.** "Condition No. 11 of License No. 45-25116-01 states that, the Radiation Protection Officer for the activities authorized by the license is James D. Thacker, Ph.D."

**Response.** James D. Thacker left the company in May 1993. The license was not amended to show this change. This change was noted verbally and in writing to all ARCTECH, Inc. staff. The temporary Radiation Protection Officer was Dr. Daman Walia. This change was noted by our new Radiation Protection Officer, Joseph J. Stashick in January 1996. Mr. Stashick was renewing our license and incorporated all necessary changes into the new license to reflect current procedures here at ARCTECH. Our license was extended by the new regulations passed by the NRC and the changes that we had made to our license were inadvertently not incorporated by the NRC. In the future, we will conduct an exit interview with all our employees to ensure that something does not go unnoticed.

**Violation B.** "Condition No. 18 of License No. 45-25116-01 requires that the licensee conduct its program in accordance with the statements, representations, and procedures contained in certain referenced documents."

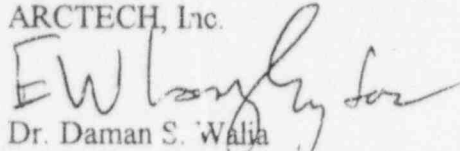
**Response.** The Geiger Counter in question was last calibrated on October 5, 1992. No radioactive work has been performed in the laboratories since May 1993 and therefore, this instrument has not been used since then. At that time, ARCTECH, Inc. had changed the policies within house but inadvertently forgot to change the license to reflect these new policies. Again, Mr. Stashick had noticed these changes and noted them on the license application he sent in January (attached).

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All violations could have been avoided if the license had been promptly updated to reflect the necessary changes. In the future, our license will be reviewed for conciseness at least twice a year. This will aide in the inadvertent oversight of changes necessary to the license due to policy changes. Full compliance with the new procedures should be achieved by the end of October, 1996--this includes the calibration of the Geiger Counter. I would like the information that Mr. Stashick had previously sent to the NRC reflected in our license (see attachment). Please advise as to what, if any, cost is associated with these changes.

Thank you for your courtesy and assistance.

Sincerely yours,  
ARCTECH, Inc.

  
Dr. Daman S. Walia  
President and CEO

cc: Regional Administrator, Region II  
J. Stashick, ARCTECH Radiation Safety Officer