



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

November 4, 1996

EA 96-140

Diagnostic Reagents, Inc.
ATTN: Mr. Thomas Kregoski,
President
1727 Monroe
Dearborn, Michigan 48124

Dear Mr. Kregoski:

SUBJECT: WITHDRAWAL OF PROPOSED CIVIL MONETARY PENALTY
(NRC Investigation Report No. 3-95-031)

On August 5, 1996, the Nuclear Regulatory Commission issued a Notice of Violation and Proposed Imposition of Civil Penalty (Notice) in the amount of \$1,000 to Diagnostic Reagents, Inc. You answered the Notice by letter dated August 15, 1996. In your letter, you contested the violation and the amount of the civil penalty, and requested mitigation. Subsequently, by letters dated October 3 and 10, 1996, you requested that NRC Region III terminate your license. Concurrent with this letter, NRC is issuing an amendment terminating NRC License No. 21-19345-01G.

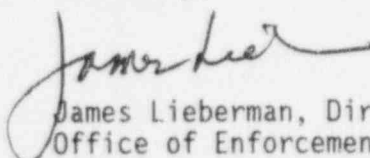
We have reviewed your letter dated August 15, 1996, and we reaffirm our position that the violations are valid as cited and that the civil penalty was properly assessed. Notwithstanding the explanations and arguments for mitigation in your letter, you clearly knew that a license amendment was necessary before conducting licensed activities at a new address. However, you conducted licensed activities at your new address for a number of years without obtaining the necessary license amendment.

The NRC acknowledges that the appropriate application fee normally must accompany a license amendment request before it can be acted upon, and that any fee amounts remitted to NRC normally are applied to the licensee's oldest debt. This scheme assures that fees due to NRC are paid as required. The fact that you had not resolved an outstanding fee issue cannot be used as an excuse for proceeding in violation of an NRC requirement.

However, in light of the termination of your NRC license, the Notice of Violation issued August 5, 1996 is hereby modified to delete the civil penalty.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice", a copy of this letter will be placed in the NRC's Public Document Room.

Sincerely,


James Lieberman, Director
Office of Enforcement

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
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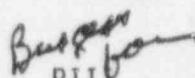
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Docket No. 030-17466
License No. 21-19345-01G

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