

MATERIALS LICENSE

Amendment No. 10

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.

302220

Licensee

1. ATC Associates Inc.
2. 9839 Industrial Court, Suite B
Highland, IN 46322

In accordance with the letter dated
January 15, 1997

3. License Number 13-17877-01 is amended in
its entirety as follows:

4. Expiration Date August 31, 2003

5. Docket or
Reference No. 030-13563

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. Cesium-137

- A. Sealed Source
(Troxler Dwg.
No. A-102112)

- A. No single source to
exceed 10 millicuries

- B. Americium-241

- B. Sealed Source
(Troxler Dwg.
No. A-102451)

- B. No single source to
exceed 50 millicuries

- C. Cesium-137

- C. Sealed Source
(CPN Model
No. CPN-131)

- C. No single source to
exceed 10 millicuries

- D. Americium-241

- D. Sealed Source
(CPN Model
No. CPN-131)

- D. No single source not
to exceed 50
millicuries

- E. Americium-241

- E. Sealed Source
(Troxler Dwg.
No. A-102451)

- E. No single source to
exceed 50 millicuries

9. Authorized Use:

- A. and B. To be used in Troxler Model 3400 Series moisture/density gauges.
 - C. and D. To be used in Campbell Pacific Nuclear Model MC Series moisture/density gauges.
 - E. To be used in Troxler Model Nos. 3216/18 surface moisture gauges.

070025

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PDR ADOCK 03013563
C PDR

COPY

0/1 ml
230
SD

**MATERIALS LICENSE
SUPPLEMENTARY SHEET**

License Number

13-17877-01

Docket or Reference Number

030-13563

Amendment No. 10

CONDITIONS

10. Licensed material may be stored at the licensee's facilities located at 9839 Industrial Court, Suite B, Highland, Indiana and may be used 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.
11. The Radiation Safety Officer for this license is Michael S. Harwood.
12. Licensed material shall be used by, or under the supervision and in the physical presence of, individuals who have satisfactorily completed the device manufacturer's training course for gauge users, or the ATC Associates Inc. training course as described in the "ATC Associates Inc. Training Manual for the Use of Nuclear Testing Equipment" and application dated February 16, 1983 and have been designated by the licensee's Radiation Safety Officer. The licensee shall maintain records of the individuals who have been designated as authorized users.
13.
 - A. Sealed sources and detector cells shall be tested for leakage and/or contamination at intervals not to exceed 6 months or at such other intervals as specified by the certificate of registration referred to in 10 CFR 32.210.
 - B. Notwithstanding Paragraph A of this Condition, sealed sources designed to emit alpha particles shall be tested for leakage and/or contamination at intervals not to exceed 3 months.
 - C. In the absence of a certificate from a transferor indicating that a leak test has been made within 6 months prior to the transfer, a sealed source or detector cell received from another person shall not be put into use until tested.
 - E. Sealed sources need not be leak tested if:
 - (i) they contain only hydrogen-3; or
 - (ii) they contain only a radioactive gas; or
 - (iii) the half-life of the isotope is 30 days or less; or
 - (iv) they contain not more than 100 microcuries of beta and/or gamma emitting material or not more than 10 microcuries of alpha emitting material; or

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- (v) they are not designed to emit alpha particles, are in storage, and are not being used. However, when they are removed from storage for use or transferred to another person, and have not been tested within the required leak test interval, they shall be tested before use or transfer. No sealed source or detector cell shall be stored for a period of more than 10 years without being tested for leakage and/or contamination.
- F. The leak test shall be capable of detecting the presence of 0.005 microcurie of radioactive material on the test sample. Records of leak test results shall be kept in units of microcuries and shall be maintained for inspection by the Commission. If the test reveals the presence of 0.005 microcurie or more of removable contamination, a report shall be filed with the U.S. Nuclear Regulatory Commission and the source shall be removed immediately from service and decontaminated, repaired, or disposed of in accordance with Commission regulations. The report shall be filed within 5 days of the date the leak test result is known with the U.S. Nuclear Regulatory Commission, Region III, 801 Warrenville Road, Lisle, Illinois 60532-4351, ATTN: Chief, Nuclear Materials Safety Branch. The report shall specify the source involved, the test results, and corrective action taken. Records may be disposed of following Commission inspection.
- H. Tests for leakage and/or contamination shall be performed by the licensee or by other persons specifically licensed by the Commission or an Agreement State to Perform such services.
14. Sealed sources or detector cells containing licensed material shall not be opened or sources removed from source holders by the licensee.
15. When performing tests at temporary job sites, the authorized user shall not leave the moisture/density gauge unattended. Upon completion of tests the device shall be locked in the licensee's vehicle or a secure building to prevent unauthorized use, loss, or theft.
16. The licensee shall conduct a physical inventory every 6 months to account for all sources and/or devices received and possessed under the license. Records of inventories shall be maintained for 5 years from the date of each inventory, and shall include the quantities and kinds of byproduct material, manufacturer's name and model numbers, location of the sources and/or devices, and the date of the inventory.

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17. The licensee is authorized to transport licensed material only in accordance with the provisions of 10 CFR Part 71, "Packaging and Transportation of Radioactive Material."
18. Each portable nuclear gauge shall have a lock or outer locked container designed to prevent unauthorized or accidental removal of the sealed source from its shielded position. The gauge or its container must be locked when in transport, storage, or when not under the direct surveillance of an authorized user.
19. Any cleaning, maintenance, or repair of the gauge(s) that requires removal of the source rod shall be performed only by the manufacturer or by other persons specifically licensed by the Commission or an Agreement State to perform such services.
20. In addition to the possession limits in Condition 8, the licensee shall further restrict the possession of licensed material to quantities below the minimum limit specified in 10 CFR 30.35(d) for establishing decommissioning financial assurance.
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 February 16, 1983; and
- B. Letters dated March 24, 1983 (with attached training manual), March 31, 1983, March 29, 1988 (with enclosures), January 8, 1992 (with enclosures), June 28, 1993 and January 15, 1997.

FOR THE U.S. NUCLEAR REGULATORY COMMISSION

Date 4/27/97By Michael F. W. L.
Nuclear Materials Licensing Branch, Region III

COPY

BETWEEN:

License Fee Management Branch, ARM
and
Regional Licensing Sections

(FOR LFMS USE)
INFORMATION FROM LTS

Program Code: 03121
Status Code: 0
Fee Category: 3P
Exp. Date: 20030831
Fee Comments:
Decom Fin Assur Req'd: N

52

LICENSE FEE TRANSMITTAL

A. REGION

1. APPLICATION ATTACHED

Applicant/Licensee: ATC GROUP SERVICES, INC.
Received Date: 970116
Docket No: 3013563
Control No.: 302220
License No.: 13-17877-01
Action Type: Amendment

2. FEE ATTACHED

Amount: 300
Check No.: 6641

3. COMMENTS

Signed
Date

D. Hersley
1-17-97

B. LICENSE FEE MANAGEMENT BRANCH (Check when milestone 03 is entered /)

1. Fee Category and Amount:

3P \$300

2. Correct Fee Paid. Application may be processed for:

Amendment ☒
Renewal ☐
License ☐

3. OTHER

Signed
Date

SC
1/21/97

JAN 28 1997

Log	<i>Jan 7 III</i>
Remitter	<i>ATCC Assoc.</i>
Check No.	<i>6641</i>
Amount	<i>\$300</i>
Fee Category	<i>3P</i>
Type of Fee	<i>Amnd</i>
Date Check Rec'd	<i>1/21/97</i>
Date Completed	<i>1/21/97</i>
By:	<i>SC</i>

VATC ASSOCIATES INC.

January 15, 1997

Mr. Mike Weber

U.S. Nuclear Regulatory Commission - Region III
801 Warrenville Road
Lisle, IL 60532

Dear Mr. Weber:

ATC Associates Inc. is pleased to provide the following information regarding operations at the Highland, Indiana location that involve sealed source portable density gauges.

Item 7 -- Individual(s) Responsible for radiation safety program and their training and experience.

1. The name of the proposed RSO: Michael S. Harwood
2. A list of all training the RSO has received in radiation safety:

Mr. Harwood has completed the 8-hr Troxler Corporation Operator's Course (see attached certificate) and has recieved nuclear safety training from the Michigan Department of Transportation, while working for that agency in Gladstone, Michigan. Mr. Harwood has over three (3) years of full-time experience operating the nuclear gauges.

Mr. Harwood is a graduate of Michigan Technological University, with a Bachelor's Degree in Environmental Engineering and has completed coursework that included the study of nuclear physics and nuclear chemistry. Mr. Harwood is currently a Staff Engineer with ATC and is pursuing a Master's Degree in Mechanical Engineering at Purdue University.

3. A description of the duties and responsibilities of the RSO.

The RSO of the ATC Highland, Indiana Office will be responsible for the safe operation of all sealed-source nuclear gauges. He will have full authority to stop operations that he considers unsafe. Time has been provided for the RSO to ensure that all individuals using the gauges are properly trained and certified. The RSO will be responsible for maintaining all records related to the gauges stored at this location and will ensure that

RECEIVED

JAN 16 1997

ENVIRONMENTAL, GEOTECHNICAL AND MATERIALS PROFESSIONALS

REGION III

9839 Industrial Court, Suite B • Highland, IN 46322-2638 • (219) 922-7235 • FAX (219) 922-7243

302220

leak tests are performed at the proper frequency. The RSO will ensure that all gauges are transported with full documentation, including the NRC license, leak test data, and bill of lading. The RSO will further ensure that all gauges are stored in the approved storage area and are double-locked for safety. The RSO will be responsible for obtaining reciprocity whenever gauges are transported to a non-NRC state.

ITEM 9 -- Facilities and Equipment

1. The nuclear density gauges are all stored at ATC's Office in Highland, Indiana. The physical address of the office is 9839 Industrial Court, Suite B. This is an existing office structure.
2. The office is located approximately 500 feet west of US Hwy 41 and approximately 1,500 feet south of 45th Street in the City of Highland, Indiana (see attached site vicinity map). The office is in an area that is zoned commercial/industrial. Radiation levels are monitored within the office by wall monitors provided and analyzed by Landaur Dosimetry Service. All persons qualified to operate the gauges are provided with personal dosimeters on a monthly basis.
3. The gauges are kept locked when not in use and are stored in locked cabinets. The cabinets are located in the garage/laboratory area, near the east end of the office (see attached site plan).
4. In addition to the locks on the gauges and the storage cabinets, all exterior doors to the building have dead-bolt locks. The access door to the main office is kept locked at all times. An intercom and electronic lock release is used by the receptionist to allow entry to the building. Inner-office doors have doorknob locks that are kept secure after business hours. The office is equipped with an electronic burglar alarm that is directly connected with the City of Highland Police Department. Only personnell who are trained to use the nuclear gauges are given keys to unlock the cabinets and gauges.
5. Gauges are transported in company-owned trucks. The bed of each truck is equipped with wooden braces. Locked cases that contain locked gauges are placed within the braced area and further secured with a chain and padlock.

6. It is the policy of the ATC Highland office to only store gauges in the approved area of the office. We do not allow off-site storage of gauges under any circumstances. Each gauge user is trained for the safe operation of the gauges and is instructed to never lose visual contact with a gauge while away from the office.

7. Refer to item 6 above.

In addition to the above information, please note that a change in ownership of the company has occurred. On May 24, 1996, ATC Environmental Inc. completed its acquisition of certain assets of American Testing and Engineering Corporation (dba: ATEC). The new combined corporation is named ATC Group Services Inc. and is doing business as ATC Associates Inc. The Highland, Indiana Office was part of ATEC prior to the acquisition and is now a Branch Office of ATC Group Services Inc. (dba: ATC Associates Inc.).

Attachments are provided that further explain the acquisition of ATEC by ATC. If you have any questions regarding any of this information, please do not hesitate to call me at 219-922-7235.

Respectfully,
ATC Associates Inc.



Michael S. Harwood
Staff Engineer

enc.

INFORMATION NEEDED FOR CHANGE OF OWNERSHIP/CONTROL APPLICATION (As required by NRC Information Notice 89-25, Rev. 1)

1. The new name of the licensed organization is ATC Group Services Inc. (d/b/a/ ATC Associates Inc.) At the time of the transfer, ATC Group Services Inc. was known as ATC Environmental Inc. and has since undergone a name change.
 2. There have been no changes in local licensee contacts or telephone numbers. The new national contact for ATC Group Services Inc. (d/b/a/ ATC Associates Inc.) is Steven C. Warren, Corporate Director of Health and Safety, (605) 338-0555.
 3. The Officers of ATC Group Services Inc. are as provided in attachment 1. There have been no changes to personnel named in the license.
 4. The transferor (American Testing and Engineering Corporation which prior to the asset purchase did business as ATEC Associates, Inc.) will remain in non-licensed business without the license. (The name ATEC Associates, Inc. was purchased by ATC Environmental Inc., and in addition, American Testing and Engineering Corporation is now doing business as AMTECH.)
 5. A description of the transaction is provided in the form of a press release and is included as attachment 2. With regard to title of the licensed material, it will remain with American Testing and Engineering Corporation for a period of six (6) years with an option for ATC Group Services Inc. (formerly ATC Environmental Inc.) to purchase at the end of said term pursuant to a master equipment lease between the parties. ATC Group Services Inc. has possession and control of all licensed material.
 6. The only planned change in organization is the name change from ATC Environmental Inc. to ATC Group Services Inc. which has already taken place as shown in attachment 5. There are no planned changes in location, facility, equipment, or procedures.
 7. There have been no changes in use, possession, location or storage of the licensed materials.
 8. There have been no changes in organization, location, facilities, equipment, procedures, or personnel that would require a license amendment even without the change of ownership/control.
 9. All surveillance items and records (e.g., calibrations, leak tests, surveys, inventories, and accountability requirements) are current.
 10. All records concerning the safe effective decommissioning of the facility, pursuant to 10 CFR 30.35(g), 40.36(f), 70.25(g), and 72.30(d); public dose and waste disposal by release to sewers, incineration, radioactive material spills, and on-site burials, have been transferred to the new licensee.
 11. The facility is not contaminated.
- (nrcnamc2.doc)

12. There is no contamination, and therefore no need for decontamination plans or financial assurance arrangements required for any clean-up at the time of the transfer.

13. The transferee agrees to abide by all commitments and representations previously made to the NRC by the transferor to include: maintaining decommissioning records required by 10 CFR 30.35(g); implementing decontamination activities and decommissioning of the site; and completing corrective actions for open inspection items and enforcement actions. The transferee accepts full liability for the site. Evidence of adequate resources to fund decommissioning are provided in attachment 3. The transferee accepts full responsibility for open inspection items and/or any resulting enforcement actions.

14. See the Agreement and Commitment for NRC Licensed Materials document provided as attachment 4.

15. The transferee commits to abide by all constraints, conditions, requirements, representations, and commitments identified in the existing license.

ATC Group Services Inc.

FEIN: 46-0399408

Registered Office:

Dover, Delaware

Principal Office:

New York, New York

Officers and Directors:

President, CEO, Treasurer,
and Director

Morry F. Rubin
104 East 25th Street, Tenth Floor
New York, NY 10010-2917

Secretary and
Chairman of the Board

George Rubin
104 East 25th Street, Tenth Floor
New York, NY 10010-2917

Senior Vice President

Christopher P. Vincze
600 West Cummings Park, Suite 6500
Woburn, MA 01801-6350

Senior Vice President

Nicholas J. Malino
104 East 25th Street, Tenth Floor
New York, NY 10010-2917

Senior Vice President

Donald W. Beck
104 East 25th Street, Tenth Floor
New York, NY 10010-2917

Vice President and
Director

Richard L. Pruitt
1515 East 10th Street
Sioux Falls, SD 57103

Chief Financial Officer

Wayne A. Crosby
1515 East 10th Street
Sioux Falls, SD 57103

Director

Julia S. Heckman
One Liberty Plaza, 31st Floor
165 Broadway, New York, NY 10006

Director

Richard Greenberg
24688 Foothills Drive North
Golden, CO 80401

Key Employee

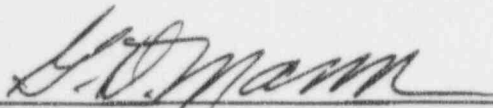
John J. Smith
1515 East 10th Street
Sioux Falls, SD 57103

AGREEMENT AND COMMITMENT
FOR
NRC LICENSED MATERIALS

By signature of this document , the transferor and transferee document their agreement to the change in control of the licensed material and activity, and the conditions of transfer. The transferor also indicates that the transferee has been made aware of all open inspection items and its responsibility for possible resulting enforcement actions that were in being at the time of the transfer.

Transferor
American Engineering and Testing Corp
d/b/a ATEC Associates Inc.

Transferee
ATC Environmental Inc.



Gerald D Mann



Richard L. Pruitt

ATC ENVIRONMENTAL INC.

FOR IMMEDIATE RELEASE - MAY 28, 1996

NASDAQ:NMS Symbol

Common Stock - ATCE

Class C Warrants - ATCEL

ATC ENVIRONMENTAL INC. COMPLETES PURCHASE OF ASSETS OF CONSULTING FIRM WITH 1995 REVENUES OF \$85,700,000

NEW YORK, NY - May 28 1996 - ATC Environmental Inc. ("ATC") announced that it has purchased specified assets and assumed specified liabilities of American Testing and Engineering Corporation ("ATEC") a national environmental consulting firm. The business had audited total revenues of approximately \$85,000,000 and reported a net loss of approximately \$1,800,000 for the year ended December 31, 1995, not including revenues from an excluded subsidiary. For the four months ended April 30, 1996, ATEC reported total revenues of approximately \$24,200,000 and a loss of \$400,000.

This acquisition will be accounted for as a purchase. The assets acquired by ATC consist of intangible assets, including customer contract rights, customer lists, order backlog and customer records, and certain tangible assets consisting of accounts receivable, work in process and customer and certain other deposits. ATC also executed a lease agreement with the option to purchase substantially all of the seller's equipment, several sublease agreements for premises leased by the seller, non-competition agreements with the seller, a major shareholder of the seller and a non-acquired subsidiary of the seller, and a consulting services agreement with a major shareholder of seller. Consideration consists of cash paid at closing of \$9,000,000 and future payment obligations to the seller and a major shareholder of the seller totaling \$6,000,000. Up to \$2,000,000 of amounts paid at closing may be recoverable based on net revenues earned during the first year following the purchase. In addition, ATC will pay contingent consideration of up to \$10,750,000 upon the attainment of certain revenue targets and certain other conditions. Additionally, ATC assumed liability for ATEC's bank debt, accounts payable and certain other recorded liabilities and ATEC's obligations under certain contracts, and incurred direct expenses and transition costs.

ATEC provides environmental consulting and engineering services including risk assessments, compliance audits, environmental remediation consulting, geotechnical and materials testing, industrial hygiene and analytical services through a large national network of branch and regional offices.

This acquisition is expected to be immediately accretive to earnings. No stock will be issued in connection with the transaction. ATC expects to retain nearly all of the seller's current revenue base, although no assurance can be given in this regard.

ATC is a multi-disciplinary national environmental consulting and management firm providing industrial hygiene, lead-paint risk and environmental remediation consulting, analytical, training, environmental auditing and assessment and systems design and risk analysis services. Its services are provided to a broad range of clients, including Fortune 500 firms, financial institutions, and federal, state and local government agencies. With the completion of this purchase, ATC will be one of the 40 largest firms in the U.S. environmental engineering and consulting services sector.

Contact: Morry F. Rubin, President and CEO, at (212) 353-8280.

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:00 AM 10/13/1996
960299004 - 2146186

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION

ATC Environmental Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify:

1. That at a meeting of the Board of Directors of ATC Environmental Inc. resolutions were duly adopted setting forth a proposed amendment of the Certificate of Incorporation of said corporation, declaring said amendment to be advisable and calling a meeting of the stockholders of said corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that the Certificate of Incorporation of this corporation be amended by changing the Article numbered "FIRST" so that amended said Article shall be and read as follows:

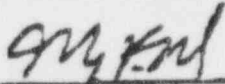
FIRST: The name of the Corporation is ATC GROUP SERVICES INC.

SECOND: That thereafter, pursuant to a resolution of its Board of Directors, a special meeting of the stockholders of said corporation was duly called and held, upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware at which meeting of the necessary number of shares as required by statute were voted in favor of the amendment.


THIRD: That said amendment as duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

FOURTH: That the capital of said corporation shall not be reduced under or by reason of said amendment.

IN WITNESS WHEREOF, said ATC Environmental Inc. has caused its corporate seal to be hereunto affixed and this certificate to be signed by Morry F. Rubin, its authorized President and attested to by George Rubin, its Secretary this 8th day of October, 1996.

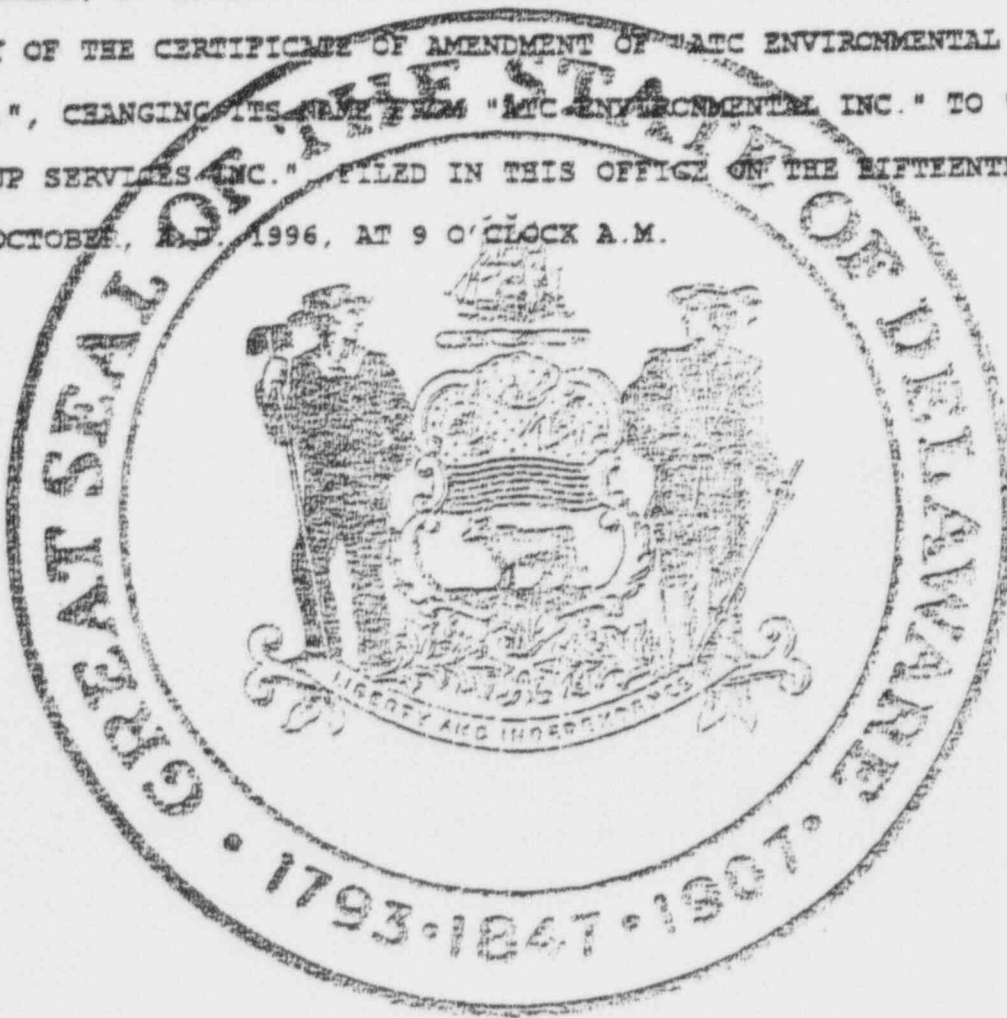

Morry F. Rubin, President

Attest:


George Rubin, Secretary

State of Delaware
Office of the Secretary of State PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "ATC ENVIRONMENTAL INC.", CHANGING ITS NAME FROM "ATC ENVIRONMENTAL INC." TO "ATC GROUP SERVICES INC." FILED IN THIS OFFICE ON THE FIFTEENTH DAY OF OCTOBER, A.D. 1996, AT 9 O'CLOCK A.M.



Edward J. Freel

Edward J. Freel, Secretary of State

2146186 8100

960301166

AUTHENTICATION: 8149558

DATE: 10-16-96

JAN 31 1997

Michael S. Harwood, Operations Manager
ATC Associates Inc.
9839 Industrial Court, Suite B
Highland, IN 46322

Dear Mr. Harwood:

This refers to your amendment request dated January 15, 1997, in which you notified the NRC of the transfer of ownership and control of NRC License No. 13-17877-01, and to our telephone conversation on January 27, 1997.

As we discussed on January 27, 1997, the change of ownership transaction required an amendment to the existing license. Failure to obtain NRC consent to the change of ownership prior to the change is a violation of 10 CFR 30.34(b) and is addressed in the attached Notice of Violation. The root cause and corrective action for the violation appear to have been addressed by ATC Associates Inc., therefore, no response to the violation is required. However, we caution you that future violations of this type involving ATC Associates Inc.'s licensed activities may result in escalated enforcement actions.

Enclosed is Amendment No. 10 to your NRC Material License No. 13-17877-01 in accordance with your request.

Please be advised that your license was also updated in accordance with current NRC policy. Specifically, the previous License Condition No. 21 was dropped since it has been superseded by NRC regulations.

Please review the enclosed document carefully and be sure that you understand all conditions. If there are any errors or questions, please notify the U.S. Nuclear Regulatory Commission, Region III office at (630) 829-9887 so that we can provide appropriate corrections and answers.

Please be advised that your license expires at the end of the day, in the month, and year stated in the license. Unless your license has been terminated, you must conduct your program involving byproduct materials in accordance with the conditions of your NRC license, representations made in your license application, and NRC regulations. 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 NRC, in writing, within 30 days:
 - a. When the Radiation Safety Officer permanently discontinues performance of duties under the license or has a name change; or
 - b. When the licensee's mailing address changes (no fee is required if the location of byproduct material remains the same).
3. In accordance with 10 CFR 30.36(b) and/or license condition, notify NRC, promptly, in writing, and request termination of the license when you decide to terminate all activities involving materials authorized under the license.
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;
 - c. Add or change the areas of use or address or addresses of use identified in the license application or on the license; or
 - d. Change ownership of your organization.
5. Submit a complete renewal application with proper fee 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. A license will not normally be renewed, except on a case-by-case basis, in instances where licensed material has never been possessed or used.

In addition, please note that NRC Form 313 requires the applicant, by his/her 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 certifying official rather than a consultant.

You will be periodically inspected by 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

M. Harwood

-3-

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 the General Policy and Procedures for NRC Enforcement Actions. Since serious consequences to employees and the public can result from failure to comply with NRC requirements, prompt and vigorous enforcement action will be taken when dealing with licensees who do not achieve the necessary meticulous attention to detail and the high standard of compliance which NRC expects of its licensees.

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

Sincerely,

Original Signed By
Cynthia D. Pederson, Director
Division of Nuclear Materials Safety

License No. 13-17877-01
Docket No. 030-13563

Enclosures:

1. Amendment No. 10
2. Notice of Violation

bcc w/encl: PUBLIC
H. Brent Clayton, EICS

DOCUMENT NAME: M:\03013563.CL7

To receive a copy of this document, indicate in the box: "C" = Copy without attachment/enclosure "E" =
Copy with attachment/enclosure "N" = No copy

OFFICE	DNMS/RIII	<input checked="" type="checkbox"/>	DNMS/RIII	<input type="checkbox"/>	DNMS/RIII	<input type="checkbox"/>			
NAME	MFWeber:brt <i>mb</i>		BJHolt <i>BJH</i>		CDPederson <i>CDP</i>				
DATE	01/27/97		01/29/97		01/29/97				

OFFICIAL RECORD COPY

NOTICE OF VIOLATION

ATEC Associates Inc.
Highland, Indiana

License No. 13-17877-01
Docket No. 030-13563

During an NRC review conducted between January 15, 1997 and January 24, 1997, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," NUREG-1600, the violation is listed below:

10 CFR 30.34(b) states that no license issued or granted pursuant to the regulations in this part and Parts 31 through 39, nor any right under a license shall be transferred, assigned or in any manner disposed of, either voluntary or involuntary, directly or indirectly, through transfer of control of any license to any other person, unless the Commission shall, after securing full information, find that the transfer is in accordance with the provisions of the Act and shall give its consent in writing.

Contrary to the above, on May 24, 1996, ATEC Associates Inc. transferred License Number 34-18893-01 to ATC Environmental Inc. (now known as ATC Associates Inc.), and the Commission had not been provided full information about the transfer or given its consent to the transfer in writing prior to May 24, 1996.

This is a Severity Level IV violation (Supplement VI).

The review showed that steps had been taken to correct the identified violation and to prevent recurrence. Consequently, no reply to the violation is required and we have no further questions regarding this matter.

Dated at Lisle, Illinois
this 31 day of January 1997

Jan. 29, 1997

MEMORANDUM TO: Materials File

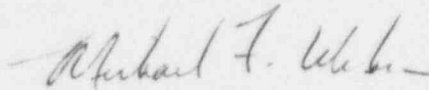
FROM: Michael F. Weber, Reviewer

SUBJECT: ATC ASSOCIATES INC.
LICENSE NO. 13-17877-01
DOCKET NO. 030-13563

During a phone conversation with ATC's RSO, Mike Harwood, on 1/15/97, I was informed that ATEC (now ATC) had changed its RSO and place of use/storage without authorization from NRC (see 1/15/97 conversation record). In 5/96, ATEC was purchased by ATC. NRC was not informed of this change of ownership until "after the fact" (see 1/15/97 conversation record).

As a result of the 1/15/97 phone conversation, ATC submitted an amendment request, dated 1/15/97, for the changes of ownership, name, RSO, and place of use/storage. In this letter is a copy of ATC's responses to IN 89-25. Responses 6, 7 and 8 indicate that no changes in location or organization have taken place or are planned as a result of the change of ownership. This appears to conflict with the facts that the RSO and place of use/storage did change, as discussed above. However, on 1/16/97, Bob Gattone performed an on-site inspection in Highland, IN. During the inspection he discovered: (1) the changes of RSO and location both occurred in 2/96, approximately three months prior to the date of the change of ownership, and (2) the changes of RSO and location apparently had nothing to do with the change of ownership. Therefore, ATC's responses to IN 89-25 do not conflict with the facts that the RSO and place of use/storage changed.

All of the above was discussed with B.J. Holt, Chief, Nuclear Materials Licensing Branch.



Michael F. Weber
Reviewer

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
801 WARRENVILLE ROAD
LISLE, ILLINOIS 60532-4351
630-829-9887 (phone), 630-515-1259 (fax)

CONVERSATION RECORD

TIME

8:00 am

DATE

1/27/97

NAME OF PERSON(S) CONTACTED

ORGANIZATION

TELEPHONE NO.

Mike Harwood, RSO

ATC (Highland)

219-922-7235

SUBJECT

Amendment request

SUMMARY

The change of ownership transaction required an amendment to the existing license. Failure to obtain NRC consent to the change of ownership prior to the change is a violation of 10 CFR 30.34(b) and is addressed in the Notice of Violation. The root cause and corrective action for the violation appear to have been addressed by ATC Associates Inc., therefore, no response to the violation is required. However, you are cautioned that the NRC expects licensed activities to be conducted with the necessary meticulous attention to detail and a high standard of compliance, and further violations of this nature will be strongly addressed.

(NOTE: The decision to cite the licensee with a SL IV violation with no response was cleared with NMSS (Patricia Holahan) on 1/24/97 - prior to this phone call.)

ACTION REQUIRED

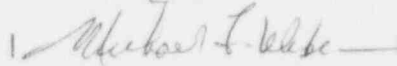
Issue amendment.

NAME OF PERSON DOCUMENTING CONVERSATION

SIGNATURE

DATE

Michael F. Weber



1/27/97

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
801 WARRENVILLE ROAD
LISLE, ILLINOIS 60532-4351
630-829-9887 (phone), 630-515-1259 (fax)

CONVERSATION RECORD

TIME

Various

DATE

1/15/97

NAME OF PERSON(S) CONTACTED

ORGANIZATION (OFFICE, DEPT., ETC.)

TELEPHONE NO.

Mike Harwood

ATC, Highland, IN

219-922-7235 (phone)

219-922-7243 (fax)

Steve Warren

ATC Management, Inc.
1515 East 10th Street
Sioux Falls, SD 57103

605-338-0555 x 133 (phone)

605-338-2098 (fax)

SUBJECT

License No. 13-17877-01

SUMMARY

Background: The name of this licensee used to be ATEC. In 1996, ATC purchased ATEC; however, NRC was not notified of this change of ownership. In Region III, ATC has four offices, each of which has its own NRC license. In May 1996, Toye Simmons performed a routine inspection at ATC Indianapolis. Here, she learned of the change of ownership. Consequently, she cited the licensee against 10 CFR 30.34 (NOV dated 6/14/96). By letter dated 7/10/96, the licensee responded and stated that NRC was not notified due to the confidential nature of the negotiations. In addition, the licensee stated that all ATC offices would be notified of the requirements of 10 CFR 30.34, and each office would subsequently submit appropriate amendment requests. As of today, three out of four ATC offices in RIII (the fourth being ATC Highland) have sent RIII amendment requests.

Phone calls: I called the licensee to inquire about the expected amendment request. I spoke w/ Mr. Harwood, a gauge user, who informed me that the RSO had left approx. 4-5 months ago, and that he (Harwood) was the new RSO. I asked if an amendment request had been sent to NRC to authorize this change - he said yes. I asked if the gauges had been used since the former RSO left - he said yes. I then gave him a speech about the importance of always having an authorized RSO. I also asked about the change of ownership - he said that someone "in corporate" took care of that. He also indicated that the office (and gauges) had moved to a new location, and that the info about the new location was contained in the same amendment request referred to above. He also said that someone else had written the amendment request, so he wasn't sure when the letter was sent. I informed him that we had no record of such a letter, and asked him to fax a copy to me. He replied in the affirmative.

A few minutes later, Mr. Warren, the Corporate Health and Safety Director called. He was mildly upset to learn that ATC Highland had not sent the amendment request for the change of name and ownership, since he claimed that he had sent all the offices all the relevant info shortly after the 7/96 NOV was issued to ATC Indianapolis. He also said that Dave Fuller (Harwood's boss, at ATC Fort Wayne) told him some time ago that an amendment request was sent to NRC re: the new RSO (Mr. Harwood), but that NRC rejected it because Mr. Harwood had only taken a one day gauge class (Troxler), and not the week long RSO class. Mr. Warren was not sure when the letter was sent to NRC. I informed him that we had no record of the letter. He seemed to be mildly upset about that. He indicated that he would contact Mr. Harwood and get the amendment request (RSO change, name change, ownership change, place of use/storage change) to us ASAP. I asked if he possessed DG-0008, and he said no. I said I would send him and Mr. Harwood a copy, and I would fax the relevant info re: RSO changes, etc., to both of them.

ACTION REQUIRED

Discuss w/ BJ Holt and John Madera. Send info.

NAME OF PERSON DOCUMENTING CONVERSATION

SIGNATURE

DATE

Michael F. Weber

Michael F. Weber

1/15/97