

January 16, 1997

Earth Tech, Inc.
ATTN: Mr. John Y. Gooch
Radiation Safety Officer
1115 5th Street, S.W.
Charlottesville, VA 22902-6465

SUBJECT: NRC INSPECTION REPORT NO. 45-25228-01/96-01 AND NOTICE OF VIOLATION

Dear Mr. Gooch:

This refers to the inspection conducted on December 17-18, 1996, at your Charlottesville, Virginia facility. The purpose of the inspection was to determine whether activities authorized by the license were conducted safely and in accordance with NRC requirements. At the conclusion of the inspection, the findings were discussed with you.

The inspection was an examination of activities conducted under your license with respect to radiation safety and compliance with NRC regulations and the conditions of your license. It included selective examinations of procedures and representative records, interviews with personnel, and direct observations by the inspector.

Based on the results of this inspection, certain of your activities appeared to be in violation of NRC requirements, as specified in the enclosed Notice of Violation (Notice).

We are concerned that you transferred licensed activities without receiving the NRC's prior approval. It is not the intent of NRC to interfere with the business decisions of licensees. However, it is necessary for licensees to provide timely notification to NRC whenever such decisions could involve changes in the corporate structure responsible for management oversight, control, or radiological safety of licensed materials. The purpose of such notification is to allow NRC to assure that: radioactive materials are possessed, used, owned, or controlled only by persons who have valid NRC licenses; materials are properly handled and secured; persons using such materials are capable, competent, and committed to implement appropriate radiological controls; licensees provide adequate financial assurance for compliance with NRC requirements; and public health and safety are not compromised by the use of such materials. The regulations are very clear that control of licenses cannot be transferred without prior written permission from the Commission.

Instances where the change of ownership has occurred without prior written consent from NRC are treated as noncompliance with the NRC's regulations. In such cases, NRC considers whether a violation of this requirement warrants escalated enforcement action, including the imposition of monetary civil penalties and orders, if indicated by the circumstances, against one or both of the parties involved. After careful consideration of the specific

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circumstances in this case, the NRC has decided not to pursue escalated enforcement action. However, future violations of this requirement could result in issuance of an order that imposes a monetary civil penalty and/or that modifies, suspends, or revokes your license.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

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

Should you have any questions concerning this letter, please contact us.

Sincerely,

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

Docket No. 030-33014
License No. 45-25228-01

Enclosure: Notice of Violation

cc w/encl:
Commonwealth of Virginia

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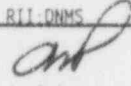
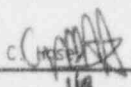

*see previous concurrence

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