

May 15, 1996

21st Century Technologies, Inc.  
ATTN: Ms. Patricia Wilson  
President  
337 Eubank NE  
Albuquerque, New Mexico 87123

Dear Ms. Wilson:

Enclosed is Amendment No. 05 renewing your Nuclear Regulatory Commission License No. 30-23697-01E in its entirety.

On May 8, 1996, Susan Greene of my staff, Geoffrey Cant of the Office of Enforcement, and I spoke with your counsel, Mr. James Tourtellotte, concerning the commitments outlined in our proposed Confirmatory Order and the pending license amendment. It was noted that this license amendment is being issued based on, and in conjunction with, commitments made by 21st Century Technologies, Inc. (previously known as IWI) during the predecisional enforcement conference and licensing meeting conducted on April 23, 1996. The proposed commitments in the Confirmatory Order were reviewed with, and substantially agreed upon by, Mr. Tourtellotte and, briefly, are as follows:

1. The Licensee will submit a training plan to assure that all IWI employees involved in activities associated with the NRC license are familiar with the license and its conditions, and with all applicable NRC regulations.
- 2.a. The Licensee will submit the name and qualifications of an independent third-party auditor to conduct audits.
- 2.b. The Licensee will submit an audit plan providing for periodic audits to assure compliance with all NRC license conditions and requirements.
3. The Licensee will develop and implement written procedures concerning the inventory and accountability of gunsights containing licensed material authorized by NRC for distribution.

These commitments, in detail, will be forwarded shortly under separate cover in the Confirmatory Order Modifying License No. 30-23697-01E.

Please review the enclosed license carefully and be sure that you understand all the conditions. If there are any errors or questions, please contact me so that appropriate corrections and answers can be provided.

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Attachment 1

Please be advised that you must conduct your program involving radioactive materials in accordance with the conditions specified in your NRC license, representations made in your license application, and other rules, regulations, and orders of the U.S. Nuclear Regulatory Commission, now or hereafter in effect, to include the following:

1. Comply with applicable NRC regulations in 10 CFR Part 30, "Rules of General Applicability to Domestic Licensing of Byproduct Material"; 10 CFR Part 32, "Specific Domestic Licenses to Manufacture or Transfer Certain Items Containing Byproduct Material"; and other applicable regulations.

NOTE: Licensees authorized to distribute or initially transfer products containing byproduct material must also possess a valid possession license issued either by NRC or an Agreement State(s) which authorizes possession and use of byproduct material.

2. Distribute only those products containing radioactive material which are specifically authorized in your license.
3. Notify NRC in writing within 30 days of any change in mailing address (no fee is required if the location of radioactive material remains the same).
4. Request and obtain appropriate amendments if you plan to change control or ownership of your organization, change points or locations of distribution of products containing radioactive material, or make any other changes in your program which are contrary to the license conditions or representations made in your license application and any supplemental correspondence with NRC. A license fee may be charged for the amendments if you are not in a fee-exempt category.
5. Submit a complete renewal application (with proper fee) or termination request (no fee required) at least 30 days before the expiration date on your license. You should receive a reminder notice approximately 90 days before the expiration date. Continued distribution of products containing radioactive material after your license expires is a violation of NRC regulations.
6. In accordance with 10 CFR 30.36, request termination of your license if you plan to permanently discontinue activities involving distribution of products containing radioactive material.

You will be periodically inspected by NRC. Failure to conduct your program in compliance with NRC regulations, license conditions, and representations made in your license application and supplemental correspondence with NRC may result in enforcement action(s) being taken against you. This could include issuance of a notice of violation; proposed imposition of a civil penalty; or

P. Wilson

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an order suspending, modifying, or revoking your license as specified in NUREG-1600, "General Statement of Policy and Procedures for NRC Enforcement Actions," (60 FR 34381, June 30, 1995).

If you have any questions, please contact Ms. Susan Greene at (301) 415-7843.

Sincerely,

/s/

Larry W. Camper, Chief  
Medical, Academic, and Commercial  
Use Safety Branch  
Division of Industrial and  
Medical Nuclear Safety  
Office of Nuclear Material Safety  
and Safeguards

Docket No. 030-30266

Enclosure: Amendment No. 05

cc: Benito Garcia, Chief  
Bureau of Hazardous and  
Radioactive Materials  
525 Camino de los Marquez  
P.O. Box 26110  
Santa Fe, New Mexico 87502

DISTRIBUTION:

License File 30-23697-01E

NMSS r/f

IMNS r/f

IMAB r/f

Region IV

RFonner, OGC

GCant, OE

COORDINATED WITH OGC AND OE

DOCUMENT NAME: G:\21stcvr.cjb

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

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NAME	SLGreene		LWCamper						
DATE	05/13/96		05/13/96						

OFFICIAL RECORD COPY

## MATERIALS LICENSE

Amendment No. 05

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 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.

## Licensee

1. 21st Century Technologies, Inc.

2. 337 Eubank NE  
Albuquerque, New Mexico 87123In accordance with letter dated  
June 1, 1993,

3. License Number

30-23697-01E is renewed in  
its entirety to read as follows:

4. Expiration Date May 31, 2001

5. Docket or  
Reference No. 030-302666. Byproduct, Source, and/or  
Special Nuclear Material7. Chemical and/or Physical  
Form8. Maximum Amount that Licensee  
May Possess at Any One Time  
Under This License

A. Hydrogen-3

A. Sealed Light Sources  
(SRB Technologies, Inc.  
Model PRH-800/G/200, and  
Lumitec Models CL/1,5/4,85  
and CL/0,95/3,3)A. Not applicable.  
(See Condition 10)

## 9. Authorized Use

Pursuant to Section 32.22, 10 CFR Part 32, the licensee is authorized to distribute only those luminous gunsights containing sealed light sources identified in Condition 7.A. above, whether or not mounted on a weapon, identified in Condition 10 of this license to persons exempt from the requirements for a license pursuant to Section 30.19, 10 CFR Part 30, or equivalent provisions of the regulations of any Agreement State.

## CONDITIONS

10. The approved gunsights are limited to the following model designs and attachments as listed in Registration Certificate No. NR-365-D-101-E:

The Model CGF003 is a front "dot" sight designed for Colt pistols (see Attachments 3 and 14).

The Model CGR030 is a rear 2 "dot" or "bar" sight designed for Colt pistols (see Attachments 4, 12, and 13).

The Model GKF001 is a front "dot" sight designed for Glock pistols (see Attachments 5 and 14).

The Model GKR010 is a rear 2 "dot" or "bar" sight designed for Glock pistols (see Attachments 6, 12, and 13).

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MATERIALS LICENSE  
SUPPLEMENTARY SHEET

License number

30-23697-01E

Docket or Reference number

030-30266

Amendment No. 05

CONDITIONS

(Continued)

The Model SSF002 is a front "dot" sight designed for Sig-Sauer pistols (see Attachments 7 and 14).

The Model SSR020 is a rear 2 "dot" or "bar" sight designed for Sig-Sauer pistols (see Attachments 8, 12, and 13).

The Model SWF004 is a front "dot" sight designed for Smith and Wesson pistols (see Attachments 9 and 29).

The Model SWR040 is a rear 2 "dot" sight designed for Smith and Wesson pistols (see Attachments 10 and 29).

The Model SWR041 is a rear "bar" sight designed for Smith and Wesson pistols (see Attachments 11 and 28).

The Series 100 is a single "dot" front sight (see Attachment 17).

The Series 200 is a 2 "dot" rear sight (see Attachment 18).

The Series 300 is a single "bar" rear sight (see Attachment 19).

The Series 400 is a recessed, single "bar" rear sight (see Attachment 20).

The Series 500 is a 2 "bar" rear sight (see Attachment 21).

The Series 600 is a recessed, 2 "bar" rear sight (see Attachment 22).

The Series 700 is a 3 "bar" rear sight (see Attachment 23).

The Series 800 is a 3 "bar" rear sight (see Attachment 24).

The Series 900 is a 2 "dot," single "bar" rear sight (see Attachment 25).

Series 200 - 900 rear sights have a notch cut out for lining up the front sight in either of the two configurations shown in Attachment 26.

- 11.a. No "dot" or "bar" tritium light source listed in Condition 7.A. may contain more than 30 millicuries.
- 11.b. No combination of "dot" or "bar" tritium light source listed in Condition 7.A. or any set of sights distributed for use on a single weapon may contain more than 90 millicuries.
12. This license does not authorize possession or use of licensed material.
13. Licensed material shall be distributed only from the licensee's facility located at 337 Eubank NE, Albuquerque, NM.



License Number

30-23697-01E

Docket or Reference Number

030-30266

MATERIALS LICENSE  
SUPPLEMENTARY SHEET

Amendment No. 05

## CONDITIONS

(Continued)

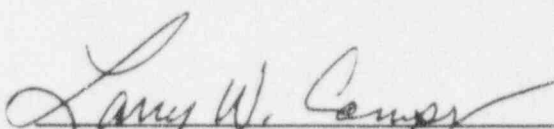
14. The licensee shall file periodic reports as specified in 10 CFR 32.25(c).
15. The licensee shall, in writing, inform the Director, Office of Nuclear Material Safety and Safeguards, at least 15 days before Mr. Barry Mowry becomes involved in any activity authorized pursuant to this license.
16. Except as specifically provided otherwise by 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. Letter dated March 1, 1996;
  - B. Letter dated March 4, 1996;
  - C. Facsimile received February 29, 1996;
  - D. Facsimile received April 29, 1996; and
  - E. Registration Certificate No. NR-365-D-101-E

FOR THE U.S. NUCLEAR REGULATORY COMMISSION

DATE:

May 15, 1996

BY:

  
Larry W. Camper, Chief  
Medical, Academic, and Commercial  
Use Safety Branch  
Division of Industrial and  
Medical Nuclear Safety  
Office of Nuclear Material Safety  
and Safeguards  
Washington, DC 20555



*Morgan Casner Associates, Inc.*  
POLITICAL AND PUBLIC AFFAIRS CONSULTANTS  
WASHINGTON, D. C.

January 22, 1996

Mr. Donald A. Cool, Director  
Division of Industrial and  
Medical Nuclear Safety  
Office of Nuclear Material Safety  
and Safeguards  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555-0001

In Re: Answer to NRC Confirmatory Action Letter, December 22, 1995  
CAL No. 4-95-04  
Docket No. 030-30266  
License no. 30-23697-01E

Dear Mr. Cool:

This firm is the Washington Representative of Innovative Weaponry, Inc. (IWI). This letter is intended to provide you with information requested of IWI in your letter of December 22, 1995.

Reference Page 1, Item 1.:

All Lumitec sources have been inventoried and matched against shipping documents. All Lumitec sealed sources that were installed into gunsights have been boxed and segregated from all Canadian sources. They have been counted, packaged, sealed and physically segregated from the Canadian sources. A similar procedure has been conducted regarding the sources which have not been installed into any device. Both groups have been placed in a vault in the front office; all Canadian sources are stored in the tritium room, which is located in a different part of the building. Patricia Wilson and David Gregor, Officers of IWI are the only persons who have access to the vault in which the Lumitec sources are secured. These steps having been taken, inadvertent distribution of Lumitec sources cannot occur.

Reference Page 1, Item 2.:

As mentioned above, insertion of Lumitec sources into devices of any kind cannot occur as sight room personnel do not have access to them.

Reference Page 2, Item 1.:

32 tubes were shipped to MMC on July 14, 1995. Of these, 24 tubes were returned.

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Mr. Donald A. Cool  
January 22,  
1996

Page 2

Reference Page 2, Item 1. (Continued):

The following is a list of devices which were unintentionally sold by IWI staff at the SOF Show in Las Vegas.

<u>Customer</u>	<u>Tubes</u>	<u>Date</u>	<u>Where</u>
Ron Ferrara	2 red in sight	10/01/95	SOF Show
Karl Poffinbarger	2 red tubes in Glock	09/30/95	"
Dave Hart	2 red tubes in Sig	09/30/95	"
Bob Foreman	2 red tubes in sight	09/29/95	"
Don Loughlin	2 red tubes in sight	10/01/95	"

Additionally, one sight was sent out of IWI:

John Martin	2 red tubes in Glock	06/29/95	IWI
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Reference Page 2, Item 2.:

<u>Customer</u>	<u>Dates/Comment</u>	<u>Models</u>	<u>Quantity</u>
MMC	IWI has been doing business with MMC since IWI's previous management was in place until the present	Glock Colt 1911 H & K USP	4,666 sights including fronts & rears
Millett Sights	IWI had done business with Millett since IWI's previous management was in place. As the relationship was a problematic one, IWI has recently severed its relationship with Millett	2FB10SR 2SS360SR 2DC340SR 2DC312SR 2DC225SR 2SW385STR BESR, 2DC275SR 3-360T, 2FB03, 2FB04 2FB09, 2FX460SR, TA460 2BB460, 01-00-312TR 01-00-360TR, 03-00-360TR	1,139 sights in all

NOTE: None of the devices listed in the above response to Page 2 Item 2 contained non-approved tritium sources or were unlicensed models.



Mr. Donald A. Cool  
January 22,  
1996

Page 3

Reference Page 2, Item 3.a.:

IWI of Nevada changed its name to 21st Century Technologies, Inc. A copy of the Certificate amending the Articles of Incorporation is attached. IWI of New Mexico is a wholly owned subsidiary of 21st Century Technologies, Inc.

Reference Page 3, Item 3.:

This letter constitutes written notice that IWI has ceased distribution of gunsights not specifically authorized in License condition 10.

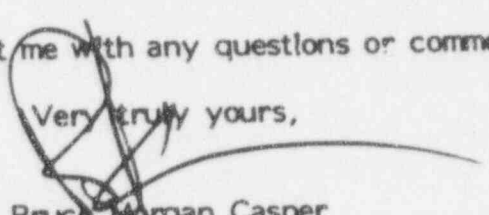
Please note that IWI a small business in its "start-up" phase. They are experiencing severe (perhaps terminal) financial hardship. Earlier this month, they were forced to begin laying off workers and they are not confident that they will be able to survive if the NRC review of their application for license amendment is delayed any further.

Please also note that this whole process began when SRB Technologies (the Canadian supplier) announced that they were going into business in competition with IWI. Not long afterwards, SRB gave notice that they would raise the price charged to IWI for sources to prohibitive levels, and would not guarantee timely shipment.

IWI has spent thousands of scarce dollars preparing the license amendment application that will allow it to compete with the other three companies which are now selling sights in the U.S. By all accounts IWI's devices are superior by almost every measurable standard. It would be a shame to unnecessarily penalize this company further or to force it out of business. This unfortunate situation can be avoided if NRC will approve IWI's application. Additional NRC-requested information will be presented at NRC Offices on Wednesday afternoon.

Please do not hesitate to contact me with any questions or comments you might have.

Very truly yours,

  
Bruce Morgan Casner  
President

Attachment: Certificate of Amendment of Articles of Incorporation