



S Y S T E M S

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February 11, 1997

U.S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, DC 20555

Subject: "Reply to a Notice of Violation" dated January 13, 1997

This is a reply pursuant to the provisions of 10 CFR 2.201 to a notice of violation issued to NDC Systems, Irwindale, California.

NDC Systems agrees with the conclusions contained in the Notice of Violation that "from about 1989 to November 1995 that gauging devices containing 150 mCi of Americium 241 sources for transport by air to specific foreign countries were made in accepted packaging instead of Type A packaging." The specific reasons and process by which this violation occurred NDC described during the pre-decisional enforcement conference conducted in the NRC's region 4 office in Arlington, Texas on October 23, 1996. In summary, the root causes for the violation are: 1) A lack of management oversight of the NDC shipping program to ensure compliance with DOT regulations. 2) A lack of thorough understanding of applicable DOT regulations.

NDC took immediate corrective action following the inspection to ensure full compliance. In addition, NDC consented to a Confirmatory Order. This order was based on proposals made by NDC describing various corrective actions designed to preclude reoccurrence of this violation and possible future DOT violations. Part A of the Confirmatory Order requires retaining an independent individual or organization to perform two audits as outlined in Part 1-4 of the order. Part B requires NDC to submit to the NRC for review and approval the names and qualifications of the consultant. Part C requires classroom training consistent with requirements 49 CFR Part 172 Sup. Part H of all individuals who are involved in shipping activities. Part D requires that a copy of the first audit report be submitted to the NRC.

On January 13, 1997, NDC provided biographical information of our purposed auditor for approval by the NRC. NDC received approval from the NRC for use of this independent consultant by fax and later by mail, in a letter dated January 31, 1997. The audit as outlined in Section A, was performed and training as required in Section B was given during January 29-30, 1997. A copy of that report together, with a description of actions

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taken and planned in response to the recommendation of the report as required in Section D, has been sent as specified in part F of the Confirmatory order.

Part E of the Confirmatory Order requires that NDC will within 12-18 months of the date of the Order provide the NRC with a copy of a second audit report. NDC will contract for and provide that report, at that time.

NDC has applied for and received an amendment to both its' NRC and California specific licenses, changing the RSO to an individual that is able to commit the required time resources in overseeing the radiation safety program.

NDC achieved full compliance with all applicable DOT regulations immediately following the inspection visit. NDC is also in full compliance with the Confirmatory Order having completed all requirements except for the follow-up audit that is to be performed. At this time, NDC Systems has a great deal more knowledge and training in all aspects of DOT requirements and the management of NDC is committed to a high level of oversight of all aspects of our radiation safety program.

Sincerely,
NDC Systems

Daniel Fishman
President

DF/dlg

cc: Regional Administrator
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