

**Contractors**

MAIL ADDRESS  
P.O. BOX 938, NORFOLK, VIRGINIA 23501  
TELEPHONE: (804) 420-1140 / FAX 420-7250

June 3, 1997

Mr. Douglas M. Collins, Acting Director  
Division of Nuclear Materials Safety  
Nuclear Regulatory Commission  
Region II, Atlanta Federal Center  
61 Forsyth Street, S.W. Ste 23T85  
Atlanta, GA 30303

NRC License # 45-25055-01  
**Reply To Notice of Violation**  
Docket No. 030-31179

Dear Mr. Collins:

This is in response to the requirements stipulated in your letter and Notice of Violation dated May 14, 1997. We greatly appreciate your careful consideration of the special circumstances in this case. All responsible individuals have been notified of your action. (10 CFR 30.34(b) failure to notify NRC of change in ownership / transfer of licensed activities without receiving NRC's prior approval).

Written statement or explanation:

Reply: 1. The reason for the violation:

(a). Great efforts had been taken to assure that all licenses were properly transferred to the transferee company. As evidenced by the letter of March 26, 1997, sent to the NRC Material Licensing Section requesting the changes in ownership be noted and that the name of the new Radiation Safety Officer, Mr. Ervin N. Galera, be recognized, every attempt to comply with NRC regulations was being made.

(b). The copy of the notice dated December 7, 1994, citing the requirement to notify the NRC prior to any transfer of the licensed activity, had indeed been overlooked. We recognize the severity of this oversight. We greatly appreciate the copy of the notice sent to us by Mr. Wade Loo on April 14, 1997.

(c). Perhaps, had those more directly involved with the licensed activity known of the sale of E. V. Williams Co. Inc. sooner, this may have been avoided. It was only a matter of approximately two weeks prior to the sale that it was relatively certain that the sale would be consummated.

9706090292 970603  
PDR ADCK 03031179  
C PDR



IE0711

Continuation: **Reply to Notice of Violation**  
NRC License # 45-25055-01

June 3, 1997

Reply: 2. Specific actions taken and any additional actions planned to prevent recurrence:

(a). All NRC notices and updates have been and are to be circulated, not only to those directly involved with the licensed activity, but to supervisory personnel and upper management.

(b). Copies of this correspondence, the Notice of Violation, and all previous correspondence related to this matter have been circulated to all involved and all responsible parties with the transferor, E. V. Williams Co., Inc. and the successor transferee company, E. V. Williams, Inc.

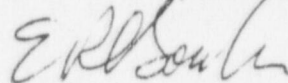
(c). Most former employees of E. V. Williams Co., Inc., management as well as those directly involved with the day-to-day operations of the licensed activity, have been employed by the transferee. It has been and will be impressed upon all, that all NRC notices be circulated, read, posted, and every effort to comply with all requirements are made.

(d). Full acknowledgement of the threat of escalated enforcement actions, which may include the imposition of monetary civil penalties and orders, or the revocation of the license, will serve as an additional step/reminder to prevent recurrence.

(e). Additional steps planned to prevent recurrence will also rest in an assurance from the transferee company, E. V. Williams, Inc. They have stated that they will take every precaution and make every effort to continue in compliance, without violations. The equipment covered by the license is vitally important to their operations.

Sincerely,

E. R. Bowler, President



Cc: U. S. Nuclear Regulatory  
ATTN: Document Control Desk  
Washington, D.C. 20555

Thomas L. Partridge  
Executive VP & General Manager  
E. V. Williams, Inc.  
P. O. Box 65128  
Virginia Beach, VA 23467-5128



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

REGION II  
ATLANTA FEDERAL CENTER  
61 FORSYTH STREET, SW, SUITE 23T85  
ATLANTA, GEORGIA 30303

May 14, 1997

E.V. WILLIAMS, INC.  
MAY 20 1997  
RECEIVED

E. V. Williams Company, Inc.  
ATTN: Mr. Ervin N. Galera  
Radiation Safety Officer (pending)  
P. O. Box 65128  
Virginia Beach, VA 23467-5128

SUBJECT: NRC LICENSE NO. 45-25055-01 AND NOTICE OF VIOLATION

Dear Mr. Galera:

In April 1997, while performing a routine licensing action for you, we became aware that your company recently changed ownership, an action of which we were not previously informed. On April 14, 1997, you were informed by telephone that the failure to notify us of that transaction prior to its occurrence was an apparent violation of 10 CFR 30.34(b), and that we were deliberating the matter.

Having completed our deliberations in this matter, the NRC has determined that a violation of NRC requirements occurred. This violation is cited 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 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.

4705290366

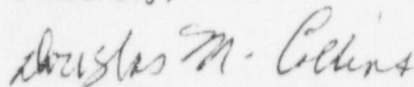


You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to this 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,



Douglas M. Collins, Acting Director  
Division of Nuclear Materials Safety

Docket No. 030-31179  
License No. 45-25055-01

Enclosure: Notice of Violation

cc w/encl:  
Commonwealth of Virginia

NOTICE OF VIOLATION

E. V. Williams Company, Inc.  
Norfolk, Virginia

Docket No. 030-31179  
License No. 45-25055-01

During a review of your NRC license amendment request dated March 26, 1997, on April 14, 1997, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedures 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, Parts 31-36, and 39, nor any right under a license shall be transferred, assigned or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of any license to any 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 this requirement, on March 13, 1997, ownership of E. V. Williams Company, Inc., holder of NRC License No. 45-25055-01, was transferred to E. V. Williams, Inc., without the consent of the NRC.

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

Pursuant to the provisions of 10 CFR 2.201, E. V. Williams Company, Inc., is hereby required to submit a written statement or explanation to the Regional Administrator, Region II, with a copy to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or demand for information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

Dated at Atlanta, Georgia  
This 14th day of May, 1997

Enclosure

9705290 369