

For the Nuclear Regulatory Commission.

Paul W. Harris,

Project Manager, Non-Power Reactors and Decommissioning Project Directorate, Division of Reactor Program Management, Office of Nuclear Reactor Regulation.

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NUCLEAR REGULATORY COMMISSION

[Docket No. 50-354]

Public Service Electric & Gas Company; Notice of Withdrawal of Application for Amendment to Facility Operating License

The U.S. Nuclear Regulatory Commission (the Commission) has granted the request of Public Service Electric and Gas Company (the licensee) to withdraw its application dated August 26, 1997, as supplemented April 24, 1998, and September 24, 1998, for proposed amendment to Facility Operating License No. NPF-57 for the Hope Creek Generating Station, located in Salem County, New Jersey.

The proposed amendment would have revised Technical Specification (TS) 4.6.5.3.1.b, for the Filtration, Recirculation and Ventilation System (FRVS) Ventilation Subsystem, and TS 4.6.5.3.2.b for the FRVS Recirculation Subsystem. The revisions would have allowed the FRVS heaters to be "operating (automatic heater modulation to maintain relative humidity)" instead of "on" when performing the 10-hour monthly surveillance test.

The Commission had previously issued a Notice of Consideration of Issuance of Amendment published in the **Federal Register** on October 8, 1997 (62 FR 52587). However, by letter dated December 21, 1998, the licensee withdrew the proposed change.

For further details with respect to this action, see the application for amendment dated August 26, 1997, as supplemented April 24, 1998, and September 24, 1998, and the licensee's letter dated December 21, 1998, which withdrew the application for license amendment. The above documents are available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room located at the Pennsville Public Library, 190 S. Broadway, Pennsville, NJ, 08070.

Dated at Rockville, Maryland, this 24th day of December 1998.

For the Nuclear Regulatory Commission.

Richard B. Ennis,

Project Manager, Project Directorate I-2, Division of Reactor Projects—I/II, Office of Nuclear Reactor Regulation.

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NUCLEAR REGULATORY COMMISSION

[Docket No. 030-34318, License No. 06-30361-01, EA 98-521]

Special Testing Laboratories, Inc., P.O. Box 200, Bethel, Connecticut 06801-0200; Order Suspending License (Effective Immediately)

I

Special Testing Laboratories, Inc. (Special Testing or Licensee) is the holder of Byproduct Nuclear Material License No. 06-30361-01 issued by the Nuclear Regulatory Commission (NRC or Commission) pursuant to 10 CFR Part 30. The license authorizes possession and use of Troxler Electronics Laboratories, Campbell Pacific Nuclear, Humbolt Scientific, Seamen Nuclear, or Soiltest nuclear gauges. Mr. Richard Speciale (Mr. Speciale) is the President and Radiation Safety Officer of Special Testing Laboratories. The license was issued on August 6, 1997, and is due to expire on August 31, 2007.

License No. 06-19720-01 authorizing possession and use of portable nuclear density gauges was previously issued to Testwell Craig Laboratories of Connecticut, Inc. (Testwell Craig), but was suspended on July 1, 1996, due to non-payment of fees. Mr. Speciale was also the President of Testwell Craig.

II

On October 14, 15, and 16, 1998, and November 9-10, 1998, an NRC Region I inspector, accompanied by an investigator from the NRC Office of Investigations, conducted an inspection at the Licensee's facility in Bethel, Connecticut. During the inspection, the NRC determined that: (1) portable gauges containing NRC-licensed material were routinely used by some Licensee employees who had not received the required training; (2) some Licensee employees were using the gauges without being provided the required personnel dosimeters; and (3) leak tests of the gauges were not being performed at the required frequency.

During the October inspection, Mr. Speciale was interviewed by the inspector and investigator. In that interview, Mr. Speciale, when questioned concerning the scope of the Licensee's program, informed the NRC

that the Licensee possessed four Troxler portable gauges that were used by three or four authorized users, including himself. He also stated that he did not believe any of his field technicians were operating gauges without training.

The NRC inspector and investigator returned to the facility on November 9-10, 1998, to complete the investigation, at which time the NRC was provided records indicating that nine individuals had received manufacturer's training on October 29, 1998, which was subsequent to the NRC's October 1998 visit. Mr. Speciale was questioned as to why nine individuals had received such training when he had previously stated that gauges were used by three or four users. Although Mr. Speciale initially maintained that only three individuals were using four gauges, he subsequently stated, and available records showed, that Speciale Testing possessed 13 gauges, and these gauges were used by as many as 14 individuals. Also, during the November inspection, seven gauge users stated that they used portable gauges without formal training for periods ranging from several weeks to four years prior to October 29, 1998. In addition, the NRC learned, based on discussions with Mr. Speciale, that there were periods when gauge users were not provided personnel dosimeters. Further, five gauge users stated that they operated portable gauges without wearing "film badges" for periods ranging from one to several months prior to October 1998. When questioned as to why individuals were using gauges without training or personnel dosimeters, Mr. Speciale indicated that the required training and dosimeters were not previously provided due to financial considerations, even though he continued to direct the individuals to use the gauges.

Based on this November review by the NRC, Mr. Speciale, during the October 1998 communications with the NRC regarding the review of gauges being used, the number of users, and the training of those users, provided information to the NRC that he knew at the time was not complete and accurate in all material respects.

Furthermore, during a subsequent interview with the OI investigator on November 19, 1998, Mr. Speciale also admitted that he "never stopped using nuclear gauges" after the Testwell Craig license was suspended for non-payment of fees and before the Special Testing license was issued. He stated that he failed to do so because Testwell Craig had "job commitments to finish."

III

The NRC investigation is continuing. However, in light of the facts set forth in Section II, the NRC finds that the Licensee has deliberately violated NRC requirements by: (1) directing untrained individuals to use gauges, contrary to License Condition II.A; (2) not providing these individuals with the necessary dosimetry while they were using the gauges, contrary to License Condition 19; (3) making false statements to the NRC, contrary to 10 CFR 30.9. Furthermore, the facts show that Mr. Speciale used gauges between July 1, 1996 and August 6, 1997, even though Testwell Craig's license had been suspended for nonpayment of fees and Special Testing's license had not yet been issued, contrary to 10 CFR 30.3 and the Order Suspending License issued to Testwell Craig.

Deliberately violating NRC requirements is significant because the NRC must be able to rely on the integrity of Licensee employees to comply with NRC requirements. Moreover, providing false information to the NRC is of significant regulatory concern because the Commission must be able to rely on its licensees to provide complete and accurate information. Directing untrained individuals to conduct NRC-licensed activities and not providing dosimetry is also of significant regulatory concern because misuse of gauges (which contain NRC-licensed material) could result in unnecessary radiation exposures to workers or members of the public. Given the above, it appears that the Licensee is either unwilling or unable to comply with the Commission's requirements.

Consequently, I lack the requisite reasonable assurance that the Licensee's current operations can be conducted under License No. 06-30361-01 in compliance with the Commission's requirements, and that the health and safety of the public, including the Licensee's employees, will be protected. Therefore, the public health, safety and interest require that License No. 06-30361-01 be suspended, with the exception of certain requirements enumerated in Section IV below, pending completion of the NRC investigation and further Order by the NRC. Furthermore, pursuant to 10 CFR 2.202, I find that the significance of the conduct described above is such that the public health, safety and interest require that this Order be immediately effective.

IV

Accordingly, pursuant to Sections 81, 161b, 161i, 161o, 182 and 186 of the Atomic Energy Act of 1954, as amended,

and the Commission's regulations in 10 CFR 2.202 and 10 CFR Part 30, *it is hereby ordered*, effective immediately, that:

A. Except as provided below, the authority to perform NRC-licensed activities under License No. 06-30361-01 is hereby suspended pending completion of the NRC investigation and further Order by the NRC.

B. All NRC licensed material in the Licensee's possession shall be placed in locked storage at 21 Henry Street, Bethel, Connecticut and shall not be used.

C. The Licensee shall not receive any NRC licensed material while this order is in effect.

D. All records related to licensed activities shall be maintained in their original form and shall not be removed or altered in any way.

E. Within 2 days of the date of the Order, all Licensee employees shall be informed of this Order.

F. Within 7 days of the date of the Order, the NRC shall be provided a list of all clients for whom the Licensee has performed activities that involve use of the gauges within the past 12 months.

G. Within 24 hours of receipt of this Order, a copy of this Order shall be posted at the facility, pursuant to 10 CFR 19.11(a)(4).

The Regional Administrator, Region I, may, in writing, relax or rescind any of the above conditions upon demonstration by the Licensee of good cause.

V

In accordance with 10 CFR 2.202, the Licensee must, and any other person adversely affected by this Order may, submit an answer to this Order, and may request a hearing on this Order, within 20 days of the date of this Order. The answer may consent to this Order. Unless the answer consents to this Order, the answer shall, in writing and under oath or affirmation, specifically admit or deny each allegation or charge made in this order and set forth the matters of fact and law on which the Licensee or other person adversely affected relies and the reasons as to why the Order should not have been issued. Any answer or request for a hearing shall be submitted to the Secretary, U.S. Nuclear Regulatory Commission, ATTN: Chief Rulemaking and Adjudications Staff, Washington, D.C. 20555. Copies also shall be sent to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555, to the Deputy Assistant General Counsel for Enforcement at the same address, to the Regional Administrator, NRC Region I, 475 Allendale Road, King of Prussia,

Pennsylvania, 19406, and to the Licensee if the answer or hearing request is by a person other than the Licensee. If a person other than the Licensee requests a hearing, that person shall set forth with particularity the manner in which his interest is adversely affected by this Order and shall address the criteria set forth in 10 CFR 2.714(d).

If a hearing is requested by the Licensee or a person whose interest is adversely affected, the Commission will issue an Order designating the time and place of any hearing. If a hearing is held, the issue to be considered at such hearing shall be whether this Order should be sustained.

Pursuant to 10 CFR 2.202(c)(2)(i), the Licensee, or any other person adversely affected by this Order, may, in addition to demanding a hearing, at the time the answer is filed or sooner, move the presiding officer to set aside the immediate effectiveness of the Order on the ground that the Order, including the need for immediate effectiveness, is not based on adequate evidence but on mere suspicion, unfounded allegations, or error.

In the absence of any request for hearing, the provisions specified in Section IV above shall be final 20 days from the date of this Order without further order or proceedings. **AN ANSWER OR A REQUEST FOR HEARING SHALL NOT STAY THE IMMEDIATE EFFECTIVENESS OF THIS ORDER.**

Dated at Rockville, Maryland, this 23rd day of December 1998.

For the Nuclear Regulatory Commission.

Malcolm R. Knapp,

Deputy Executive Director for Regulatory Effectiveness.

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DEPARTMENT OF STATE

[Public Notice 2930]

**Bureau of Political-Military Affairs;
Office of Defense Trade Control;
Munitions Export Involving CWP
Industries, Inc. and/or Luciana
Lawrence**

AGENCY: Department of State.

ACTION: Notice.

SUMMARY: It shall be the policy of the Department of State to deny all export license applications or approvals sought by CWP Industries, Inc. and any of their subsidiaries, associated companies or successor entities, of defense articles or defense services and Luciana Lawrence to export or otherwise transfer defense