



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, DC 20555 - 0001**

December 19, 2003

EA-03-219

Mr. C. Richter White
President
Safety Light Corporation
4150-A Old Berwick Road
Bloomsburg, PA 17815

SUBJECT: DEMAND FOR INFORMATION

Dear Mr. White:

The NRC is issuing the enclosed Demand for Information because of your failure to comply with a condition of your NRC licenses. You are required by your licenses to provide monthly financial deposits to an NRC trust fund to be used for decommissioning and decontamination of your facility located near Bloomsburg, Pennsylvania (See Condition 16 in Amendment 53 of License No. 37-00030-02 and Condition 20 in Amendment 13 of License No. 37-00030-08). The condition was incorporated into your licenses as part of the Commission's decision to grant your request to exempt Safety Light Corporation (Safety Light) from certain financial assurance decommissioning requirements set forth in 10 CFR 30.32 and 10 CFR 30.35. At the time, you had requested an exemption because you lacked the funds necessary to assure that adequate financial ability existed to decommission the facility.

The NRC was initially informed of your failure to meet this condition during a telephone conversation on November 21, 2003, between Ms. Marie Miller, NRC Region I, and Mr. Larry Harmon, Plant Manager, Safety Light. This information was confirmed in a subsequent telephone conversation on that same day between Mr. William Lynch, Vice President, Safety Light, and Dr. Ronald Bellamy, NRC Region I. During those conversations, you stated that you had not made several monthly deposits in 2002 and 2003, and in some cases, the deposits were made, but the amounts were less than the required amounts. In addition, you had not notified the NRC of your failure to comply with this requirement. The NRC determined that these overdue payments totaled \$81,000. You also commented that Safety Light's ability to make future payments into the trust fund was to some degree questionable due to a downturn in your business and that certain non-NRC financial obligations were not being met.

You have subsequently informed the NRC, during a December 9, 2003, conversation between Ms. Marie Miller and Mr. Larry Harmon, that you have since deposited \$13,500 into the NRC trust fund. However, Conditions 16 and 20 of the above referenced licenses specify that if you do not comply with the requirements set forth in those license conditions, the financial assurance exemption allowed therein would no longer be valid. Once you failed to make any required deposit to the NRC trust fund as specified in the above referenced licenses, you were not only in violation of those license conditions, but also the provisions set forth in 10 CFR 30.32 and 10 CFR 30.35. Consequently, the NRC is issuing the enclosed Demand for

Information. The Demand for Information requires that you provide the NRC with information which the Commission will use to determine whether your licenses should be modified, suspended, or revoked.

Failure to comply with the provisions of this Demand for Information may result in enforcement action.

Questions concerning this Demand for Information should be addressed to Dr. Frank Congel, Director, Office of Enforcement, who may be reached at (301) 415-2741.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy or proprietary information so that it can be made available to the Public without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.790(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection, described in 10 CFR 73.21.

Sincerely,

/RA/

Frank J. Congel, Director
Office of Enforcement

Docket Nos: 03005980
03003982
License Nos: 37-00030-02
37-00030-08

Enclosure: As Stated

cc w/encl:
Commonwealth of Pennsylvania
EPA, Region 3
W. Lynch, Safety Light Corporation

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DATE	12/19/03		12/19/03		12/19/03		12/19/03	12/19/03

OFFICE	RI/RA		OE		NMSS		OGC	
NAME	HMiller		FCongel		MVirgilio		DDambly	
DATE	12/19/03		12/19/03		12/19/03		12/19/03	

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	
)	Docket Nos. 030-05980
Safety Light Corporation)	030-03982
Bloomsburg, PA)	License Nos. 37-00030-02
)	37-00030-08

EA-03-219

DEMAND FOR INFORMATION

I

Safety Light Corporation (the Licensee) is the holder of Byproduct Material Licenses issued by the Nuclear Regulatory Commission (NRC or Commission) pursuant to 10 CFR Part 30 for the facility at 4150-A Old Berwick Road in Bloomsburg, Pennsylvania. License No. 37-00030-08 authorizes, in part, the licensee to manufacture self-luminous devices, foils, targets, and pins containing tritium, and to distribute those items to persons specifically licensed by the NRC or an NRC Agreement State. License No. 37-00030-02 authorizes the licensee to characterize and decommission its contaminated facilities, equipment, and land. The Licenses were last renewed on December 28, 1999, and are due to expire on December 31, 2004.

In the December 1999 renewal of License Nos. 37-00030-02 and 37-00030-08, conditions were included in each License that exempted the Licensee from certain of the Commission's financial assurance requirements set forth in 10 CFR 30.32 and 10 CFR 30.35. This exemption was granted in response to the licensee's request to the Commission based on the lack of sufficient funds at the time to assure that adequate financial ability existed to decommission the facility. The NRC specifically approved the exemptions (originally in Condition 16 of Amendment No. 51 for License 37-00030-02 and Condition 20 of Amendment No. 13 for License 37-00030-08), provided that the Licensee make specified monthly payments into an NRC trust fund to support decommissioning activities, including \$8,000 for each month in 2001 and 2002, and \$9,000 for

each month in 2003. The NRC granted renewal of each License based on the Licensee's ability to continue to remediate and adequately secure radioactive materials at the facility using the money deposited into the NRC trust fund.

II

During telephone conversations between Ms. Marie Miller, NRC Region I, and Mr. Larry Harmon, Plant Manager for the Licensee, on November 21, 2003, the NRC learned that the Licensee had neither made some of the required payments into its NRC trust fund, nor notified the NRC that payments were not being made. This failure to make the required payments was confirmed in a subsequent telephone conversation between Mr. William Lynch, Vice President for the Licensee, and Dr. Ronald Bellamy, NRC Region I, on the same day. The bank records for the NRC trust fund period from April 2001 through October 2003, list twenty-four deposits to the fund, rather than the required thirty-one deposits. For the twenty-one month period from April 2001 through December 2002, two of the required \$8,000 monthly deposits had not been made. For the ten month period from January 2003 through October 2003, eight of the required \$9,000 monthly deposits had not been made (no funds were deposited during six of the months, and only \$8,000 was deposited during January and February 2003). In addition, the NRC has since learned that the required \$9,000 deposit was not made in November 2003. The failure to make these deposits resulted in a total deficit of \$81,000 (plus interest) to the NRC trust fund. However, the NRC was subsequently informed, during a telephone conversation between Ms. Marie Miller and Mr. Larry Harmon on December 9, 2003, that the Licensee had deposited \$13,500 to the NRC trust fund on December 9, 2003. Based on the last deposit, it appears that the NRC trust fund is \$67,500 in arrears, not including the interest that would have accrued had the required monthly payments been made.

By not making the required monthly deposits to the NRC trust fund, the Licensee has violated Condition 16 of License No. 37-00030-02 and Condition 20 of License No. 37-00030-08 as well as 10 CFR 30.32 and 10 CFR 30.35. This violation is significant because these deposits are necessary to fund ongoing decommissioning activities, including the disposition of radioactive waste presently stored at the facility. The NRC is concerned that without payment of these funds into the NRC trust fund, no funds will be available for decontamination of the facility and proper disposal of radioactive waste stored at the site.

Therefore, further information is needed, to determine whether the Commission can have reasonable assurance that the Licensee will adhere to all License requirements and otherwise conduct its activities in accordance with the Commission's requirements.

III

Accordingly, pursuant to sections 161c, 161o, 182 and 186 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR 2.204 and 10 CFR Part 30, in order for the Commission to determine whether your licenses should be modified, suspended or revoked, or other enforcement action taken to ensure compliance with NRC regulatory requirements, the Licensee is required to submit to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555, within 30 days of the date of this Demand For Information, in writing and under oath or affirmation:

A. The detailed schedule for making all overdue payments, with interest, to the trust fund;

- B. The reasons why the Licensee did not make the required payments, as scheduled, to the NRC trust fund;
- C. The reasons why the NRC should have confidence that the Licensee will, in the future, make the monthly deposits to the NRC trust fund as required by License Condition 16 of Amendment No. 53 for License 37-00030-02 and License Condition 20 of Amendment No. 13 for License 37-00030-08;
- D. Assurance from the Licensee, should it encounter any difficulty making required monthly deposits in the future, that it will promptly notify the NRC that there will be a delay in making a specific deposit, and provide the reasons for the delay;
- E. The reasons why the NRC should have confidence that in the future, the Licensee will adhere to license conditions and applicable NRC requirements;
- F. The reasons why, in light of the Licensee's past failure to make all required payments to the trust fund, License Nos. 37-00030-02 and 37-00030-08 should not be modified, suspended, or revoked.

Copies also shall be sent to the Assistant General Counsel for Materials Litigation and Enforcement at the same address, and to the Regional Administrator, NRC Region I, 475 Allendale Road, King of Prussia, Pennsylvania, 19406.

After reviewing your response, the NRC will determine whether further action is necessary to ensure compliance with regulatory requirements.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Frank J. Congel, Director
Office of Enforcement

Dated this 19th day of December 2003