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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

March 16, 1990

The Honorable John F. Kerry
United States Senator
Transportation Building
Ten Park Plaza Suite 3220
Boston, MA 02116

Dear Senator Kerry:

I am responding to your February 20, 1990, request to Mr. A. Bert Davis, Nuclear Regulatory Commission (NRC) Region III Administrator regarding a January 31, 1990, letter from Dr. Stan Schein, one of your constituents. Dr. Schein expresses his belief that the NRC's shutdown of American Radiolabeled Chemicals, Inc. (ARC) has a widespread impact on research and should be resolved as quickly as possible.

By way of background, an NRC inspection of ARC in June 1989 identified violations of NRC requirements regarding inadequate monitoring of radioactive contamination in the facility and of radioactivity released from the facility to the environment. While working with ARC to incorporate new procedures and staff in its NRC licensed program, our staff received allegations of additional unsafe practices at the facility. In response to these allegations, our staff discovered further apparent violations of NRC requirements involving inadequate evaluation of exposure to laboratory workers, of contamination in the laboratory, and of release of materials from the facility to the environment. Early indications of exposures and releases exceeding administrative and regulatory limits, respectively, did not result in any change by the licensee to correct these problems. Other violations were also identified, the most significant being that ARC knowingly prepared improper labels and shipping documents of hazardous chemical substances tagged as radioactive compounds in an apparent effort to ease shipment of these materials by commercial aircraft. As a result of these findings we requested ARC to take certain actions including ceasing operations in December 1989 to protect health and safety of ARC employees and the public. ARC agreed to these actions. Following a more detailed review of our inspection findings, on January 11, 1990, we issued an Order suspending ARC's licenses pending resolution of the safety issues which were identified.

Our Order to ARC provided for relaxation of the Order on demonstration of good cause shown by the licensee. In response to a request from ARC, we relaxed the Order on February 26, 1990, by allowing ARC to resume limited distribution of prepackaged materials in stock. This action was taken only after ARC demonstrated it has adequate procedures and qualified staff in place to carry out the activities authorized in a safe manner. ARC has since provided additional information to support the resumption of additional licensed activities. This information is under review by our staff. We consider the violations of NRC regulations to be significant in this case, and believe our actions were necessary to protect the public health and safety.

AKS

The Honorable John F. Kerry

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I trust this reply responds to your request. NRC's Region III staff is also responding separately to a letter from Dr. Schein on this matter.

Sincerely,

Original Signed By
James M. Taylor

James M. Taylor
Executive Director for
Operations

Enclosures:

1. Order dtd 01/11/90
2. NRC Inspection Report
No. 030-20567/89001
3. NRC Inspection Report
No. 030-20567/90001

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