

SEP. 12 1989

Docket Nos. 030-05980
030-05982
EA No. 89-29

License Nos. 37-00030-02
37-00030-08

USR Industries
ATTN: Mr. Ralph T. McElvenny, Jr.
550 Post Oak Boulevard, Suite 545
Houston, Texas 77027

Gentlemen:

Subject: ENFORCEMENT CONFERENCE CONDUCTED JULY 6, 1989

This letter refers to the Enforcement Conference held at the NRC Region I office in King of Prussia, Pennsylvania, on July 6, 1989, relating to the apparent failure of Safety Light Corporation, USR Industries and their subsidiaries, to comply with the Order issued to those parties on March 16, 1989. The attendees at the Enforcement Conference are identified on pages two, three and seventy-eight of the enclosed transcript of the conference, which serves as the Enforcement Conference Report.

The enclosed copy of the original transcript has been marked up by the NRC Region I staff as a result of carefully comparing the typed transcript with a copy of the tape recording made by the court reporter during the conference. We believe the version enclosed accurately reflects the discussions held. However, should you wish to make any editorial corrections to this transcript, please so inform this office, in writing, within 30 days of the date of this letter.

In accordance with 10 CFR 2.790(a), a copy of this letter and the enclosure will be placed in the NRC Public Document Room following expiration of the 30 day period cited above.

No reply to this letter is required. Your cooperation with us in this matter is appreciated.

Sincerely,

ORIGINAL SIGNED BY
LEE H. BETTENHAUSEN
Malcolm R. Knapp, Director
Division of Radiation Safety
and Safeguards

Enclosure:
NRC Region I Enforcement Conference Report Nos. 030-05980/89-003
and 030-05982/89-003

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USR Industries

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cc w/enclosure:
Public Document Room (PDR)
Nuclear Safety Information Center (NSIC)
Commonwealth of Pennsylvania

A. Patrick Nucciarone, Esq.
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Joyner

9/12/89

By phone 9/12/89
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9/12/89

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Knapp

9/12/89

U.S. NUCLEAR REGULATORY COMMISSION
REGION I

Enforcement Conference Report Nos. 030-05982/89-003
030-05980/89-003

Docket Nos. 030-05982
030-05980

License Nos. 37-00030-08 Priority 1 Category B
37-00030-02 3 E

Licensee: Safety Light Corporation
4150-A Old Berwick Road
Bloomsburg, Pennsylvania 17815

Facility Name: Safety Light Corporation

Enforcement Conference At: NRC Region I, King of Prussia, Pennsylvania

Enforcement Conference Conducted: July 6, 1989

Prepared by: James H. Joyner 9/12/89
James H. Joyner date
Division Project Manager

Approved by: Malcolm R. Knapp 9/12/89
Malcolm R. Knapp, Director date
Division of Radiation Safety
and Safeguards

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UNITED STATES NUCLEAR REGULATORY COMMISSION

ENFORCEMENT CONFERENCE WITH

SAFETY LIGHT CORPORATION AND

USR INDUSTRIES

Docket #030-05980
#030-05982

Thursday,
July 6, 1989

Room DRSS
475 Allendale Road
King of Prussia, PA

The above-entitled matter came on for hearing,
pursuant to notice, at 11:20 a.m.

BEFORE: JAMES JOYNER

P R O C E E D I N G S

11:20 a.m.

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MR. KNAPP: As you can see, the meeting is being transcribed. I'm Malcolm Knapp. I'm the Director of Radiation Safety and Safeguards with the United States Nuclear Regulatory Commission, Region I.

Since there are a great many of us around the table I would suggest that we begin by introducing ourselves.

MR. WEISMAN: I'm Bob Weisman, Office of the General Counsel, NRC.

MR. KELLY: Brian Kelly from IT Corporation, Knoxville, Tennessee.

MR. O'DONOGHUE: I'm Michael O'Donoghue representing Safety Light.

MS. BERGER: Carol Berger from IT Corporation, Washington, D.C.

MR. MILLER: Jack Miller, President, Safety Light Corporation.

MR. RUSSELL: Jeff Beauchamp also representing Safety Light.

MR. MCELVENNY: Ralph McElvenny, Chairman of USR Industries.

MR. BRUNO: Kevin Bruno, Hannoch Weisman's office.

MR. NUCCIARONE: Pat Nucciarone, Hannoch Weisman also.

1 MR. CELLUCCI: Guy Cellucci from -- ^(unintelligible)

2 MR. BELL: Mike Bell from NRC Headquarters.

3 MR. GANT: Jeffrey ^C Gant from NRC Headquarters.

4 MR. JOYNER: Jim Joyner from Region I, NRC.

5 MR. COSTELLO: Frank Costello, NRC Region I.

6 MR. KINNEMAN: John Kinneman, Region I.

7 MR. GUTIERREZ: Jay Gutierrez, Regional Counsel,

8 Region I.

9 MR. CHRISTOPHER: Keith Christopher, ^{Enforcement} ~~an~~ specialist

10 here in Region I.

11 MR. LIEBERMAN: Jim Liebermann, Director of the

12 Office of Enforcement from Washington.

13 MR. BETTENHAUSEN: ^{ee} ~~Let~~ Bettenhausen from Region I.

14 MR. GUTIERREZ: It may be helpful before we get

15 started if the attorneys, some of the attorneys didn't

16 indicate who they were here on behalf of. It may be helpful

17 before we get started to identify who you're here on behalf

18 of.

19 MR. NUCCIARONE: Kevin Bruno and I from Hanoch

20 Weisman represent USR Industries.

21 MR. CELLUCCI: I represent Signa which is one of the

22 insurance carriers for Safety Light and USR Industries.

23 MR. GUTIERREZ: This is an enforcement conference

24 which is a closed meeting between the licensees and the NRC.

25 Are you here at the request of one of these companies?

1 MR. CELLUCCI: Yes.

2 MR. GUTIERREZ: You're here at the request of which
3 company?

4 MR. MCELVENNY: Maybe I could respond to that. We
5 thought it might be useful to have, to ask that a
6 representative of a major carrier be present today for that
7 part of the meeting which he would like to attend voluntarily
8 and which it would be agreeable ^{with} ~~for~~ you people for him to
9 attend. He can speak for himself as to his company's
10 situation with respect to potential coverage issues. I think
11 as far as we are concerned, he does not have to be present
12 throughout the meeting, but we have asked him ^{here in order} to provide a
13 certain amount of indication of the responsibility which we
14 have brought to the table today and previously.

15 MR. GUTIERREZ: That explanation is helpful, thank
16 you.

17 MR. KNAPP: Last, but certainly not least, we have
18 via telephone two representatives from the state of
19 Pennsylvania who will be simply listening to the proceedings.
20 Stewart Levin who is the Chief of Licensing and Regulation;
21 and Ray Oceairlow who is a Radiation Protection Specialist.

22 I'd like to begin with an overview of the way I
23 expect today's proceeding to occur. To begin with, I have
24 some general remarks that I would like to make, after which we
25 intend to go over the apparent violations one by one, give our

1 views, and give you an opportunity to respond.

2 Having done that, and had some of our questions
3 answered, we'd like the NRC to excuse ourselves for just a few
4 moments to caucus and we may have some additional questions
5 for you after that.

6 When we've completed that process we would then like
7 to give you some time, probably about an hour and you can take
8 lunch, while the NRC has another ^{internal} meeting.

9 After that we would then like you to meet with a few
10 of us and our Regional Administrator, ^{William} ~~Glenn~~ Russell. It's
11 also possible that the NRC's Deputy Executive Director for
12 these matters, Hugh Thompson, will join ^{that} the meeting by
13 telephone from Washington, D.C.

14 Last but not least, before I get into ^{some} remarks I'd
15 like to introduce one other person who has just joined us.
16 That's Tim Martin who is the Deputy Regional Administrator for
17 Region I.

18 Some of my opening comments I think you should be
19 aware of, are that this is an enforcement conference. It's
20 held consistent with NRC's regulation 10 CFR Part 2, Appendix
21 C. Among the things discussed in that enforcement policy are
22 that we hold these conferences to ^{ensure} ~~assure~~ compliance, to obtain
23 prompt corrections, to deter future violations, and to
24 encourage improved licensee performance.

25 I'm sure you are well aware that the Nuclear

1 Regulatory Commission expects extremely high standards,
2 meticulous attention to detail, and I personally am charged
3 with taking vigorous action if this is not the case.

4 We hold enforcement conferences when there are
5 potential or apparent violations or incidents which may well
6 lead to a civil penalty or other escalated enforcement action.
7 These actions could include orders to modify, suspend, or
8 revoke a license. We obviously take these conferences very
9 seriously.

10 We expect that all parties to the conference will be
11 candid and forthright in any comments that you make, ^{and} if that
12 is not the case, that may very well affect future decisions
13 that the NRC might make.

14 The purpose of the conference, as mentioned in our
15 letter to you, has three principal ^{intents} ~~points~~. We want to make
16 sure that all of us have a common understanding of the factual
17 matters associated with the apparent violations that exist.
18 We want to discuss the significance of the items, what their
19 causes are, and what corrective action you have taken or will
20 ^{about them.} take. We also wish to learn whether there are any aggravating
21 or mitigating circumstances surrounding these matters which we
22 should take into consideration in our decision as to what we
23 will do next.

24 Some of you may have some introductory remarks you'd
25 like to make and ^{I'd} ~~we'd~~ ^{very well} like to hear those, but first, because

1 this is somewhat unusual for enforcement conferences, the
2 number of parties involved, I'd appreciate it if Mr. Gutierrez
3 our Regional Counsel, would say just a few ^{remarks.} words.

4 MR. GUTIERREZ: I just have one point to make to
5 emphasize Dr. Knapp's opening remarks. That is that the NRC
6 recognizes that the recipients of the March 16th order have
7 asked for a hearing and have made numerous arguments in
8 response to that order, some of them being jurisdictional
9 arguments. ^{And,} I want to emphasize that it's not the purpose of
10 today's meeting to have further argument and debate on the
11 hearing-related issues. That will be handled in the context
12 of an administrative hearing.

13 Rather, the purpose of today's meeting as outlined
14 by Dr. Knapp is really, from the NRC's point of view, viewed
15 as a management meeting among the technical staffs to discuss
16 the technical merits and deficiencies of the plan to
17 characterize the radioactivity at the Bloomsburg site
18 submitted in your June 2nd submittal and also, as alluded to
19 by Mr. McElvenny, to explore the potential, if the parties do
20 eventually agree to the scope of the plan, the potential of
21 the plan being implemented and funds being available to
22 implement a plan. We'd like to explore that a little bit as
23 well.

24 MR. KNAPP: We're ready to proceed. Are there any
25 parties that wish to make some introductory remarks?

1 MR. BEAUCHAMP: On behalf of Safety Light, I'm to
 2 ask permission for Jack Miller and Carol Berger to give an
 3 overview of the radiological assessment plan which has been
 4 presented to the NRC which I think will address many of the
 5 points raised in the ^{recent} letter ^{dated} of June 16, 1989. That will allow
 6 Mr. Miller and Ms. Berger an opportunity to cover the plan
 7 itself.

8 MR. O'DONOGHUE: That's a slight variation to the
 9 ^{you announced} procedure. Do you have any problems with that?

10 MR. KNAPP: Of course we'd be pleased to hear the
 11 presentations. Afterwards we ^{will} ~~would~~ still want to go over the
 12 apparent violations and just make sure as we talk together
 13 that we have a common understanding. But yes, we'd be pleased.
 14 ^{That may very well speed things up. We'd be happy} to hear what ~~they~~ ^{you} have to say. ^{Do you need an overhead projector,} ~~That may very well speed~~ any materials?
 15 ~~things up.~~

16 ^{No. I don't believe we do.} MR. MILLER: ¹ The first issue that we would like to
 17 cover ^{was} ~~is~~ the restricted access part of the order. We had a
 18 representative of the NRC and an inspection report written
 19 June 16th indicating that we were in apparent violation of the
 20 restricted access of the order. I have about six copies, ^{maybe you} ~~wish~~
 21 ^{can} ~~me to~~ ^{them} pass around. I don't believe I need one.

22 (Pause)

23 The points that we tried to define in the restricted
 24 access in accordance with the regulations, there are
 25 specifications on what type of fence, I guess is what we chose

1 to use. As far as height, it is an eight foot fence including
2 the barbed wire. It does have gates on it. The driveways,
3 and one in the back of the site ^{which} should be defined on the
4 drawing.

5 MR. GUTIERREZ: Mr. Miller, just excuse me for a
6 minute. Just recognizing that this is transcribed. You
7 handed us something that we could attach to the transcript
8 just so what we're saying will be understandable. We ~~can~~ can
9 attach what you just gave us as Attachment 1. Maybe if you'll
10 just describe it and then go on with your presentation it
11 would be helpful.

12 MR. MILLER: What I handed out was a site drawing
13 defining the restricted area. The restricted area was based
14 upon validation of 100 MR per hour for unrestricted access, ~~per~~
15 week, ^{excuse me.} There's another 2 MR per hour that also is indicated in
16 the regulations.

17 We chose neither one according to the attached data
18 as well as the drawing of the site. ~~The~~ readings taken at
19 every post of the fence on the outside of the fence, the
20 unrestricted area, MR per hour readings with a calibrated
21 meter. In addition, on the drawing is shown 100 foot square
22 grids of the unrestricted area. Both of those data helped us
23 define exactly where to put the fence.

24 It should be noted that in addition to the fence on
25 the drawing, the buildings themselves serve as part of that

1 restricted area. The buildings do have a 24 hour alarm system
2 tied into the appropriate emergency coordinator.

3 If you could take a look at the actual results, ~~they~~
4 indicate that in every part there's a restricted area. I
5 think the highest reading was .17.

6 MR. COSTELLO: Excuse me. Do you mean restricted or
7 non-restricted?

8 MR. MILLER: Unrestricted area. The highest reading
9 ~~in~~ the grid areas and the posts was .17 MR.

10 MR. KINNEMAN: That appears to be on Post 40?

11 MR. MILLER: Post 40, correct. Most of it was
12 background. So we feel where the fence is it's the
13 appropriate place.

14 MR. BEAUCHAMP: ^{Which is} ~~That's~~ concurred by IT Corp,
15 correct?

16 MS. BERGER: We looked at this copy and it seems to
17 be consistent with some of the measurements that we made when
18 we were out last time.

19 MR. KINNEMAN: And the fence exists as drawn today?

20 MR. MILLER: It exists as drawn today. We have
21 access control procedures for people that do not work the
22 normal hours. When we are not there everything is locked up, and
23 the security systems ^{with} in the buildings take over.

24 MR. COSTELLO: ^{Jack, may I interrupt?} When was the fence completed?

25 MR. MILLER: The fence was completed June 30th. We

1 had a purchase order May 23rd that indicated to us by the
2 fence contractor that it would be done in seven days. I think
3 that is noted in our last inspection report which I just
4 received.

5 Due to the weather and the lack of means of mixing
6 the concrete in the rain, we've had an awful rainy season up
7 there, it got delayed.

8 The last week of that June 16th, I was ready to call
9 the NRC and ask for an extension. However, the contractor
10 guaranteed me that he would have completed it by that Friday, I think
11 June 16th was on Friday. He did not do that, and obviously it
12 took him a couple of weeks more.

13 There was no way I could get him to do it any
14 faster. We used whatever means were available to us. But it
15 is completed now. We feel that it is an important part of
16 what we're trying to do here to protect the public from
17 inadvertent exposures.

18 In addition, it is posted, although there doesn't
19 seem to be any specific regulations in 10 CFR that indicate,
20 on the fence itself, because there is no radiation hazard in
21 excess of 2 MR per hour at the fence. The regs say you do not
22 have to post. We felt ^{that} we would put a sign, and I forget
23 exactly how many signs, but it's approximately every 50 to 100
24 feet stating No Trespassing, Radioactive Material. Well
25 contrasted, so people on the outside of the fence can plainly

1 see by the height of the fence and the barbed wire^{and} that
2 message that they are not to go beyond that boundary.

3 Another thing we accomplished, being that we are
4 referring to everything within the fence and building as a
5 restricted area, we have the Safety Light personnel working in
6 the tritium operation, and have been since the day each one of
7 them was hired, trained as radiation workers.

8 There are other employees on the site, tenants, that
9 we had a session June 30th conducted by IT Corporation to
10 train them in radiation safety, health and safety procedures,
11 and awareness.

12 We feel what this does for us is restrict, it
13 protects public health, it protects the employees and tenants
14 on site from inadvertently being exposed to radiation.

15 In addition to what we did June 30th, it's been an
16 ongoing program ^{of} ~~with~~ Safety Light to make sure that areas on
17 the site, areas of known contamination, are indeed either
18 locked or posted in accordance with the regulations. This we
19 have been doing diligently for the last ten years.

20 We do not feel there are any areas now within the
21 restricted area that are not controlled. The fence, to me, is
22 further security, but I think even without the fence no one
23 could get the 2 MR per hour. What we hope to achieve is that
24 someone does not come in for a ^{week} ~~leak~~. It's highly improbable^{and}
25 It hasn't happened since I've been there that someone would

1 sit on the ground^s for a week without someone noticing that
2 they are there. However, we went beyond that consideration
3 and erected the fence.

4 MR. MCELVENNY: Jack, excuse me. Do you have a
5 guard^{down} there also?

6 MR. MILLER: No, we have 24 hour security through
7 AAA Security which contacts the police, fire, and the Columbia
8 County Emergency Management Agency.

9 MR. JOYNER: That's through the alarm system?

10 MR. MILLER: Yes. In every building there's an
11 alarm system. *Every building.*

12 Like I say, some of this is new, some of it we have
13 done consistently since I've owned the company. There were
14 indeed good programs there before I took over in regards to
15 trying to protect people on-site.

16 Are there any questions?

17 MR. JOYNER: One aspect of setting this up as a
18 restricted area was training^{of the} people who were going to be
19 working there. That training has been completed?

20 MR. MILLER: Training was completed June 30th by IT
21 Corporation. The personnel receiving the training received
22 certain printed information, ^a video on practices ^{of} en radiation.
23 My radiation safety officer demonstrated by holding up various
24 signs that are seen in the facilities and on the grounds what
25 the intent, what the meaning of those signs were. Everyone

1 acknowledged receipt of this training by signing a document
2 saying they did indeed receive it on this date.

3 We have plans to do this once a year, annual
4 training for existing employees, and training for everyone on
5 the site. It doesn't matter if they work for Safety Light.
6 We have space on the site that we do lease out to other
7 companies. Some companies find other space, some come back.
8 Our intention is to make that part of the lease requirement
9 that they indeed recognize that they need radiation training,
10 even though they do not handle radiation products or devices.
11 That was made clear to them because they were wondering why
12 the training ^{themselves} ~~was held~~. That was done professionally by IT
13 Corporation and was received quite well by the employees on
14 the site.

15 MR. MCELVENNY: Would you gentlemen feel that a
16 comment from the IT representatives would be useful?

17 MS. BERGER: We basically gave a standard, general
18 employee training in radiological protection on that day. We
19 showed them a videotape that described what radiation is, the
20 different types, the risks associated with that, and how to
21 recognize in a generic fashion what's a radiation area, what's
22 a radiation zone, what's a contamination zone and so on.
23 After that we spent about 20 minutes discussing the specifics
24 of the Safety Light Corporation site.

25 MR. KINNEMAN: So there were specifics about ^{the} site?

1 MS. BERGER: Yes, specifically what radioactivity is
2 of interest at the site, where is it located. As Jack went on
3 to say, the radiation safety officer for the site gave a
4 discussion about the specific types of posting and labeling at
5 ~~the~~^{that} site. We also spent about 10 minutes on the workers'
6 rights issue. They all were given a copy of Reg Guide 8.13
7 and 8.29. The contents of the reg guides and the appendices
8 were described to them. They were given a copy of the sheet
9 that says they are entitled to contact the NRC in the event
10 they notice a violation of any license. They were informed of
11 where all licenses and regulations and license correspondence
12 are maintained. They're not posted, they're maintained in the
13 administrative office, however the location of all of this
14 documentation, a little sign that shows where it all is, is
15 posted in the areas where employees frequent.

16 At the termination of that they were given a sheet
17 and they were asked to sign to acknowledge that they had
18 received this training, that they received those two reg
19 guides, and also that they know they have the right to receive
20 copies of any exposure evaluations that are performed on them.

21 Basically that's it. We followed the standard
22 format, and we did that for all employees that were at the
23 site.

24 MR. JOYNER: What arrangements have been made to
25 train employees who come in to work there prior to the next

1 annual refresher?

2 MR. MILLER: They will be trained the day, the first
3 hour they walk into the place, which is what we've always done
4 with Safety Light Corporation employees. They will be given
5 the same or similar training program.

6 MR. JOYNER: That will apply to employees of your
7 lessors as well?

8 MR. MILLER: It will apply to everyone ^{that is} within the
9 restricted area.

10 MR. GUTIERREZ: Could you give us an appreciation
11 for the kind of controls you have over employees other than
12 Safety Light employees? Prior to this meeting I didn't have
13 an appreciation that there were employees of other companies
14 that had access to the site that you needed to train. How
15 will you be put on notice when employees are hired on?

16 MR. MCELVENNY: Why don't I respond to that first.
17 Those are employees of USR Industries subsidiaries. Like the
18 employees of Safety Light itself, I think it's fair to say
19 that the body of employees of the USR Industries subsidiaries
20 are well familiar with the general operations ^{of} ~~at~~ the plant.
21 The plant is a significant employer in a small town which is
22 in a rural area in Northeastern Pennsylvania. It's been there
23 for a long time, several decades now. It's well familiar ^{to} ~~with~~
24 the towns people. They, as a practical matter, I think all
25 understand and appreciate the nature of the historical

1 information that bears on their daily work.

2 So there's a very close, cooperative relationship
3 between the non-Safety Light employees and the Safety Light
4 personnel. In terms of new people hired by either the Safety
5 Light or the non-Safety Light companies coming on the
6 property, as a practical matter they're known to everybody as
7 soon as they ^{come} ~~are~~ hired on, even if they're re-hired ^{or} ~~and~~ called
8 back, having been employees before. ^{Before they come on the property} Everybody knows who they
9 are and knows a little bit about them.

10 So I think an excellent system of formal and
11 informal communications is in effect in the plant right now so
12 that the Safety Light RSO, and the associated executives there
13 who are responsible for administering the training programs
14 are immediately knowledgeable as to any new personnel.

15 MR. GUTIERREZ: So is it true that the non-Safety
16 Light employees are employees of either USR Industries or some
17 subsidiary of USR Industries?

18 MR. MCELVENNY: Yes.

19 MR. MILLER: Or others. We have a printing shop
20 that has a part time work force in one of the buildings also.
21 It's not necessarily Safety Light or USR Industries,
22 exclusively.

23 MR. MCELVENNY: ^{Jack,} I didn't know about that. Where is
24 that?

25 MR. MILLER: It's in one of the newer buildings. If

1 you're not familiar with the property, ~~it's in~~ the upper corner
2 of the facility ^{over} ~~up~~ here. We've had...

3 MR. MCELVENNY: In the ^{so-called} Butler Building?

4 MR. MILLER: We refer to it as the Butler Building.
5 It's a building that never had any radioactive activity^{ies} or
6 operations in it.

7 MR. KINNEMAN: Is that building inside the fence?

8 MR. MILLER: Right now the fence is attached to the
9 building. Right now it is a restricted area. Whether it
10 needs to be a restricted area being that no operations ever
11 were conducted in it and the building is clean as far as any
12 environmental hazard.

13 MR. MCELVENNY: ^{Jack,} When was that constructed, do you
14 remember?

15 MR. MILLER: The building itself[?] I'd say around 1970
16 I believe is when it was built. By that time I believe U.S.
17 Radium was out of the business of all other isotopes other
18 than tritium. That was at the same time they built the
19 building now which houses the tritium operation within our
20 manufacturing 08 license restricted area.

21 So there are other tenants. We've had tenants, a
22 number of other tenants at times in that building. Right now
23 we just have the one and it's a part time situation.

24 MR. GUTIERREZ: But the print tenant is an activity
25 unrelated to your licensed activities, is that true?

1 MR. MILLER: Yes, as is USSR subsidiaries. They have
2 no relationship to what our license activities are.

3 *Are There*
4 Any other questions on the facility? What it really
5 demonstrates if you look closely at the readings is that there
6 just is no significant health hazard outside that restricted
7 area that we should be concerned with. Those readings were in
8 accordance with the regulations, one meter readings. I forget
9 exactly the name of the...

10 MS. BERGER: They used a Ludlum Model 19 *micro R meter, so that*
11 *they read out in exposure.*

12 MR. MARTIN: One question. I understand you
13 provided the training, got certification *from* ~~that~~ individuals who
14 received the training, *did* ~~will~~ you *do any* ~~be~~ testing to see that the
15 training took?

16 MS. BERGER: Yes, we issued an examination, a 20
17 question examination. However, we did not require them to
18 complete the examination. That was a question that we still
19 have up in the air right now, whether that should be required
20 and set some passing criteria. We did not do that this time,
21 but they were given a 20 question exam. They were asked to
22 complete it and contact the radiation safety officer for those
23 questions they did not know the answers to.

24 MR. JOYNER: So you gave them the exam and then went
25 over the correct answers so they could mark their own?

MS. BERGER: Yes, basically.

MR. MARTIN: So right now you do not have a measure

1 of whether the training took. You haven't finished
2 management's obligation to provide ^{adequate} ~~that~~ training?

3 MR. NUCCIARONE: That suggests a formal procedure.
4 I think the answer to that would be negative. If I understand
5 the training program, there was sufficient interaction between
6 the training people and the employees so that the training
7 people could gauge that the employees in fact ^{did} digest and
8 understand what was being taught to them. Yes, it may be true
9 that they weren't given a written quiz and graded on it, but
10 that doesn't suggest that there was no interplay that would
11 allow the trainers to assure themselves that the employees did
12 not understand the training session.

13 MR. WEISMAN: When you gave the training did you get
14 the feeling that you had enough interaction to gauge how the
15 employees understood it?

16 MS. BERGER: I felt --

17 MR. MILLER: What we did was ask if there were any
18 questions, ^{were there} any misunderstandings, did we want them to review
19 the video or to have Carol go over ^{her} ~~the~~ speech again. There
20 was no inclination from the employees that they did not
21 understand that.

22 MR. GUTIERREZ: Maybe for the purposes of this
23 meeting it should be sufficient to say that it's NRC's
24 expectation that the training not only be provided, but that
25 management assure themselves through some mechanism, ^{be it} ~~either~~

1 ^a formal test or some other mechanism, that you do have some
2 mechanism to give you that feedback that yes, training has
3 been effective. That's an issue that the technical staff will
4 be looking at. It's not sufficient, as Mr. Martin indicates,
5 to ^{kind of} lecture ^{at} people on a hope and prayer, hope it takes. *That*
6 *somehow* you have to get some indicator that it takes. I think
7 that's sufficient for purposes of this meeting.

8 MR. MILLER: Is there a formal NRC procedure that
9 indicates how you determine, assuming --

10 MR. GUTIERREZ: That's why I leave it open to you.
11 There's not going to be a regulation that says you absolutely
12 have to administer an objective test. I don't want to leave
13 you with that impression.

14 MR. MILLER: ^{Is there} ~~Isn't~~ that something that if an
15 employee fails you have to terminate that employee?

16 VOICE: No, you can give more training.

17 MR. MCELVENNY: There is a mechanism as Mr.
18 Nucciarone was suggesting in terms of informal feedback. This
19 is not a lecture to 1000 unaffiliated employees. It's a small
20 group of people who have known each other for a long time and
21 there is a capability, ^{I think,} on the part of the people administrating
22 the information to have a rather good feeling as to whether it
23 is taking or not. ^{Since} They do know the people ^{that are} there.

24 MR. MILLER: Next we'd like to take the opportunity
25 to have myself highlight some areas of IT Corporation's

1 proposal, radiological assessment plan that we handed to you,
2 I guess it was the last document we've given you. What I
3 would like to do is go over certain areas of it and have Carol
4 comment on the technical aspects of why we feel this was the
5 correct plan to hand in.

6 We recognize that it is not a full decommissioning
7 plan. We just did not feel at this time that it was
8 financially feasible for us to commit to a full
9 decommissioning plan. What we do feel the plan does is along
10 with the restricted access, we are concerned with the proper
11 surveying of the facility and grounds, which we have done for
12 10 years now.

13 We feel that the data provided by not only what
14 Safety Light's environmental monitoring program has indicated,
15 ^{but} ~~by~~ the Commission itself, contracted Oak Ridge Associated
16 Universities and EG&G. We, Safety Light, contracted a
17 radiation management company, Meisner & Earl Hydrogeologists,
18 to erect 20-some bore holds on site. Those bore holes were
19 positioned in locations that the hydrogeology study indicated
20 are the main pathways of the underground water flow.

21 We do have 10 years of data that has consistently
22 said to me as President of Safety Light that there is no
23 movement within the, no significant movement, within the
24 concentrations in these bore holes. I think at some time in
25 the conference I do have those documents here. I know the

1 inspectors over the last ten years have looked at the
2 information closely. I have not heard to the contrary that
3 anything indicating that my opinion was wrong on the movement,
4 the migration in or out of these bore hole samplings.

5 That to me, with educating the employees and
6 restricting access, is really what we're trying to get across
7 here. That if the migration is insignificant, and I like to
8 use the word stabilized, and I know there are degrees of
9 stabilization and degrees of migration. I'm not saying it
10 isn't migrating, but I'm not a technical expert. I think what
11 the IT program ~~was~~^{is} trying to get across ~~was~~^{is} that ^o if it moves
12 an inch a year ^o we've moved ten inches. Is ten inches harmful?
13 I just throw that out as an analogy, not saying that's true
14 fact.

15 The other thing we've done for the last ten years at
16 Safety Light is gone out and tested water sampling in the well
17 water in the community off-site for tritium. What we've
18 consistently found is, I think background is two to three
19 thousand pico-curies ^{per liter} for this area? At times ^{some of these} well water
20 samples have indicated four or five thousand. Again, well
21 below the EPA standard of 20,000 pico-curies.

22 These programs, we have a radiation safety committee
23 at Safety Light Corporation that meets when needed. We
24 discuss all this information as well as other pertinent
25 problems on a needed basis. We just do not believe there's

1 any imminent danger to health and safety of the public or the
2 employees.

3 MR. BEAUCHAMP: Carol, would you like to comment on
4 the overall purpose of the IT Corporation proposal?

5 MS. BERGER: I'd be glad to. Because there are
6 other constraints, like Jack said, financial among them, for
7 this company to be able to fund a large site characterization
8 effort, we looked at the areas of immediate need. There is
9 documentation and ^{there is} measurement information to show that a ^{certain}
10 particular location on that site ^{location,} is the primary source of ^{or a}
11 radioactive material that has the potential to move its way
12 out into the environment. If you'll recall in the plan here
13 we designated that as Category 3.

14 We are taking advantage of the fact that Safety
15 Light Corporation has been monitoring the ground water in that
16 area for ten years, and we also have the 1981 data acquired by
17 Oak Ridge Associated Universities, both the soil sampling and
18 their analysis of the ground water situation, to give a sort
19 of temporal distribution on what's happening. If we have
20 information in 1982 or 1981 and we have it over the last ten
21 years and we do it again in 1989, we can look to see. If
22 there's no significant change between the two then there's ^{really} no
23 imminent need to dive right in there and start digging things
24 up. There is time to look for a way to handle that so that
25 the company can handle it.

1 That was the intent of this plan, which was to
 2 concentrate on the areas of key concern which is what we
 3 designated as Category 3, and put most of the sampling and
 4 measurement efforts into that category.

5 MR. COSTELLO: ^{May I interrupt just a second, Carol?} I have two questions about the scope
 6 of what you're trying to do before you go ^{any} further.

7 There are two things you could have been trying to
 8 do in the characterization study that I can think of. One was
 9 to determine migration ^{off site}, determine that kind of
 10 characterization. Another is to perform a characterization
 11 and find out what's there so that a subsequent decontamination
 12 effort could be launched. They're two very different
 13 questions.

14 MS. BERGER: Right.

15 MR. COSTELLO: Clearly if you're looking ultimately
 16 to decontaminate ^{ion of} the site, ^{to} removal of the material, you have a
 17 much broader scope of characterization than you would if you
 18 want to know what the current impact on ground water is. So if
 19 you could address, did you look ^{at both? Did you look} at characterization both from
 20 the point of view ^{of} ~~to know~~ what's necessary to find out what's
 21 there so we know what efforts are necessary to remove it.

22 A second question is in your preamble you mentioned
 23 the resources available for the characterization also affected
 24 what you did. How did you become aware of what constraints
 25 these limitations put on you when you prepared the plan?

1 MR. KINNEMAN: If I can follow that, just to let you
2 try to answer, and we'll come back. How far away do you feel
3 that puts you from the kind of plan that would do the sort of
4 things Frank was talking about, an on-site characterization of
5 what's there?

6 MS. BERGER: ^{Pat,} Help me here. I don't know how to
7 answer the question.

8 MR. MILLER: I would think the information that we
9 gather from the plan would indicate how far we are from...

10 MR. GUTIERREZ: Well let me ask because I think
11 they're not terribly ^{difficult answers, or} ~~different~~ questions. The order required
12 you to first submit a plan to characterize the site, step one.
13 Then assuming the NRC approved the plan, to implement the
14 plan.

15 As I thought I understood Mr. Miller, Mr. Miller I
16 thought you said that it's ^{your position,} Safety Light's position, and this
17 is on the issue of an adequate site characterization, before
18 we ever get to ^{implementing} a plan to decontaminate, but just understanding
19 what's out there. That's where we are. There are a lot of
20 things down the road but where we are now is trying to
21 understand what's out there.

22 I thought I understood you to say that you feel the
23 company's monitoring program coupled with the company's
24 current knowledge of the site and maybe the third coupling
25 would be coupled with what IT proposed, as proposed, would be

1 sufficient to characterize the site?

2 MR. MILLER: No, we felt it would be sufficient to
3 indicate whether indeed the material within the site was
4 migrating to further assure ourselves that there would be no
5 public health consequences.

6 MR. GUTIERREZ: So the gloss that I'm reading into
7 your comments is ^o the order required you to do a site
8 characterization. However, given financial constraints as you
9 perceive them, you read into that order that I only have
10 enough money to assure myself there's no immediate problems?

11 MR. MILLER: That's basically correct.

12 MR. NUCCIARONE: Let me respond because I think
13 there are a lot of questions thrown at the clients and I just
14 want to try to frame a response.

15 We recognize that the order asks for a full site
16 characterization.

17 MR. GUTIERREZ: That's basic, because I need to
18 communicate. So there's no question that when you received
19 the order in March you read those words to mean ^o the NRC
20 anyway, expects a full site characterization. Is that ^{true?} ~~mm~~

21 MR. NUCCIARONE: Let me respond, if I may.

22 The understanding that we have, and I'll state on
23 the record that I myself developed this understanding during a
24 telephone conversation I had with Mr. Joyner. I understand,
25 although others can speak for themselves, that they had the

1 same understanding.

2 It was our understanding that we would develop a
3 proposal to be submitted to the NRC for the purpose of
4 beginning a dialogue that would result in what we hope to be a
5 mutually beneficial effort. Now with that preamble, let me try
6 to put what we've done in context.

7 We are aware of the fact that the order addresses a
8 site characterization plan. What we have done is try to
9 dissect those words and put some more meaning to them. In
10 other words, it is in one sense, we could have engaged in a
11 full site characterization plan, the purpose of which is to
12 find out what if anything exists on-site and off-site.

13 What we are proposing, and we put this before the
14 NRC with the specific purpose of engaging in a dialogue, what
15 we have proposed in essence is the following: That is, a plan
16 that perhaps costs less money but goes to the heart of what we
17 perceive to be the concern of the Nuclear Regulatory
18 Commission and that is the identification of whether or not
19 there are any immediate health concerns or public health
20 dangers.

21 We're not suggesting that this is a shortcut to a
22 decommissioning plan. What we're suggesting is that what
23 we're proposing is a method of identifying whether or not
24 there are primary areas of concern that ought to be addressed,
25 knowledgeable of the fact that a full decommissioning plan

1 would take months and months.

2 What we're proposing is to go to the heart of the
3 matter, develop certain data, compare that data with pre-
4 existing data for the purpose of identifying whether or not
5 there is any migration. If there is any migration, what the
6 concentration levels of that migration are so that we can
7 pinpoint areas that should be of emergent concern, at least in
8 our opinion.

9 I want to stress two points. One is that the
10 understanding we had all along was that we were submitting a
11 plan that we hoped we could sit down at a less formal
12 conference and discuss with NRC for the purpose of convincing
13 NRC that this is a more efficient expenditure of time and
14 money at this point. If there are limited resources and
15 limited time, let's get right to the heart of the matter and
16 find out if there are any areas that concern the public, any
17 immediate health dangers.

18 If not, we can then address other issues.

19 But I guess the question, in response, that
20 underlies this whole proposal we're putting forward is, does it
21 not make more sense to devote the resources we have at our
22 disposal this moment to identify whether or not there are any
23 emergencies that have to be dealt with? That is the basic
24 theme that underlies the proposal that we've asked IT to
25 submit.

1 Carol, have I properly characterized what you have
2 put forward?

3 MR. O'DONOGHUE: I, by the way, would like to second
4 that. My clear understanding from conversations wherein I
5 can't say who said what with Mr. Joyner, and also the two
6 gentlemen from Washington who were up at the Bloomsburg site,
7 was that we were submitting a topic for discussion, being what
8 type of plan would be satisfactory, would the company^{ies} be
9 capable of producing, and ^{that} there was no thought in our minds
10 that our first effort in this had to comply in all respects
11 with what the NRC might have hoped would be coming down the
12 line.

13 MR. GUTIERREZ: Let me ask one follow up question
14 because I think I'm hearing something a little different from
15 Mr. Nucciarone.

16 Even the plan you submitted, it's been my
17 understanding based on the written word that number one, no
18 company's committed to funds to do the plan, assuming the NRC
19 okayed it. And number two, you're attempting to get such
20 funds from the carrier, but we have no insight as to whether
21 they're going to make those funds available.

22 The thrust of what I seem to be hearing today is ^o
23 should the NRC decide to accept this modified plan to get to
24 the heart of the matter, you have information that there are
25 funds available to do it?

1 MR. NUCCIARONE: I believe we can give the specific
2 answer to that question after the caucus. Let me just ^{suggest} ~~assume~~
3 that you not assume the negative, ^{that is,} since there has not been a
4 commitment forthcoming.

5 MR. GUTIERREZ: It's not an assumption, it's a
6 statement in the June 2nd submittal from the company that they
7 have no funds.

8 MR. MCELVENNY: May I just address that briefly?
9 Without characterizing the position financially of either
10 Safety Light Corporation or USR Industries ^{on} ~~no~~ a black/white
11 basis, yes we have all the funds in the world or no we have
12 zero funds. We have submitted to you audited financial
13 statements of USR Industries. Those are prepared on a
14 consistent basis. They are prepared by Coopers & Lybrand, a
15 big eight accounting firm. They show the reality that USR
16 Industries is dealing with today and has been, no matter how
17 you construct the time frame or the other matters that may be
18 appropriate to deal with later today.

19 We would have preferred to have approached the
20 question of funding and the question of possible modification
21 of the remediation plan or characterization plan informally or
22 less formally than this. Now that we're in a formal
23 proceeding with a record being created, I can only say on
24 behalf of USR Industries that it is a public company, it has a
25 Board of Directors. Our financial statements have been given

1 to you. We are here with a representative of the insurance
2 company which can speak for itself. We are involved in a
3 number of direct and indirect proceedings as to this site and
4 other sites. And we are prepared to respond very honestly and
5 in complete good faith to the question you posed about funding
6 today.

7 However, we'll have to understand what it is ^{that} we're
8 being asked to do, and then specifically consider that. I
9 think we can give some answers, some certain black and white
10 answers ~~on a~~ ^{as to} limited scale today, and we've worked hard to be
11 able to do that.

12 I'm just saying please understand when you ask these
13 questions that we have given you financial statements and they
14 show what they show. *For both companies.*

15 MR. MILLER: I'd like to concur with that. Safety
16 Light also under the order has given their financial
17 statements. I think they would indicate to whomever you had
18 review them that we do not have enough ^{finances} ~~just~~ to fully
19 decommission the site.

20 I would like to mention one thing. What we have
21 done as of January 10, 1989 of this year, Safety Light did
22 purchase the house in the southeast corner adjacent to Safety
23 Light's property. That particular house and its grounds and
24 well I think were mentioned a number of times in the March
25 16th order. I just think it's important that we aren't sitting

1 back and doing nothing. We recognize that house does have
 2 associated problems, and we went out in January of this year
 3 and purchased it for the full price the individual was asking.
 4 We think that's an important contribution to what we're trying
 5 to do here with what money we have ^{allotable} ~~allowable~~ to work with.

6 I think Mr. McElvenny is right, the insurance
 7 carriers can speak for themselves and they will at the
 8 appropriate time as to where the excess funds come from. We
 9 are saying to you, and you are reading by our financials, that
 10 we don't have the money. So the question is, ^{well} where does it
 11 come from?

12 MR. GUTIERREZ: ^{I think,} ^{partial} just in [^] response, the NRC does
 13 appreciate the scope of the task the March order has assigned
 14 to the licensees. Understand, what I hear happening is people
 15 may be talking past each other a little. I hear you saying
 16 NRC, you've asked us to do a cadillac program, and in response
 17 you don't have the money to do a cadillac program, and then
 18 you present a chevy program and ask us to respond to that
 19 chevy program, but you haven't told us whether you ~~can~~ have
 20 the money to ^{even} [^] do the chevy program. I think that's a little
 21 bit --

22 MR. MCELVENNY: We have come prepared, we recognize
 23 the nature of the dialogue. We have come prepared today to
 24 make some specific representations to you. And also perhaps
 25 later this afternoon to talk about the other substantial

1 contributions which are, to the public health and safety and
2 which are responsive to the legitimate regulatory and
3 enforcement concerns of the NRC, which are not monetary
4 specifically in nature. They go to the careful, expert,
5 continuous performance in the field of a job pursuant to the
6 license which is being conducted by Safety Light under the
7 direction of Jack Miller with the help of other trained
8 specialists, including a well trained radiation safety officer
9 and other personnel.

10 The monitoring which we have been making on the site
11 and will continue to make and the other contributions which if
12 they are not done by Safety Light will still have to be done,
13 will have to be performed by some party. Even if there's no
14 business activity ^{at the plant} which would be a terrible disaster for
15 Bloomsburg, Pennsylvania. This is a ^{small} town in a depressed area
16 in the Poconos as to which the contributions are important.
17 We can discuss that later.

18 My point is that we have come prepared today to talk
19 with you specifically about numbers and about a financial
20 commitment. I think it's easy to demonstrate that both Safety
21 Light and USR Industries are going the extra mile to make this
22 commitment available.

23 MR. NUCCIARONE: Let me respond to your analogy. I
24 don't mean to be flippant about it, but I think it's
25 important. Too commonly people refer to plants as cadillacs

1 and chevies. In my own mind at least it suggests that our
 2 proposal is something less than a quality vehicle. The
 3 analogy that I would draw is ^o instead of committing ourselves
 4 to purchasing the cadillac, what we're offering to do is to
 5 purchase the engine and the tires, to get the heart of the
 6 matter. ^{Lets} ~~to~~ get what we need to get from point A to point B.

7 If in fact we need to put all the chrome plates and
 8 stereo systems in on it later, that's an issue for a different
 9 day. But we are not proposing something that is less ^{of} ~~than~~ a
 10 quality program. We're not proposing a second rate vehicle.
 11 We're proposing --

12 MR. GUTIERREZ: Are you a technical person? Because
 13 that's the feedback ^{I'm getting} ~~we get~~ from the technical staff ^o that it is
 14 less than quality and in fact inadequate. I can only defer to
 15 the technical staff on that.

16 MR. COSTELLO: ^{Can I} ~~I'd like to talk~~ ^{on that a little bit?} ~~about~~

17 MR. MILLER: It serves a purpose.

18 MR. COSTELLO: ^{I'd like to talk about,} ~~It's~~ less a question of quality than
 19 scope. It's really a question of scope.

20 If the question at hand were ^o we don't know what the
 21 current hazard posed by the site is to its neighbors. We
 22 really are concerned because of our lack of knowledge ^{about} ~~of~~ what
 23 the drinking water next door is or what the migration is.
 24 That would be one series of questions, ^{that'd be} ~~one~~ type of vehicle.

25 If the question is though, as I believe the order

1 addresses, what's necessary to decontaminate the site. You do
2 ~~x~~ different kind of work to do that. You have to find out
3 what's there, not just what's moving currently, but in fact
4 what's there.

5 In terms of addressing how well it's moving, the
6 plan addresses a lot of that. In terms of how ^{answering the question, how} much is there,
7 it hardly addresses it at all.

8 If you wanted a vehicle which enables you, as I
9 think the order is structured for, to follow up the
10 characterization with a decommissioning plan, this
11 characterization plan clearly fails. When you complete this
12 characterization plan you will not be able, ^{from} ~~with~~ the
13 information derived from it, to be able to prepare a
14 decommissioning plan because you won't have the technical
15 information necessary.

16 ^{Kinneman}
MR. ~~NUCCIARONE~~: I think that's our basic concern.

17 MR. COSTELLO: I think there's been a lot of data
18 which Safety Light has collected and which we ourselves have
19 collected and which the contractors have collected, which tells
20 something about the migration. We want more of that
21 information on migration. In fact there are some technical
22 arguments for migration as well. But the more fundamental
23 question is, how is this plant going to tell us what
24 radioactive material is on-site, and what's necessary based
25 that knowledge to decontaminate it?

1 Nucciarone
MR. ~~KINNEMAN~~: I'm not disputing your analogy that
2 the scope is really what's different, and that's precisely
3 what we're saying. It's our considered judgment that it is
4 more important at this moment in time to find out what, if
5 anything, is migrating off-site than what is on-site. All
6 we're suggesting is that we take that first step, since that
7 seems to be the overlying concern.

8 Kinneman Could I follow that question with a technical question?
MR. ~~COSTELLO~~: ~~Let me follow that then.~~ Is it then
9 the opinion of your experts that there is not sufficient data
10 on the record to show that there isn't a hazard from the site
11 to off-site areas?

12 MR. NUCCIARONE: Well let them speak for themselves,
13 but as I understand it the most recent data other than the
14 continued monitoring, the geohydrological data and so forth is
15 years out of date. What we're suggesting is let's build upon
16 that data base with current data and that will tell us what if
17 anything has happened since 1982, to use an example. That, we
18 perceive, to be the most important set of facts that we don't
19 have at the moment and that would enable us to proceed to the
20 next step.

21 Carol and Brian, have I fairly characterized that?

22 MS. BERGER: Yes. We want to show the change from
23 the 1982 or 1981 conditions to now. But in addition to that,
24 you'll notice that the quantity of sampling, which is really
25 the key issue here. I think even in the NRC environmental

1 report and the ORU^A report and from information IT Corporation
2 ~~obtained in~~ ^{gained from} a walk-over survey of the site, as well as the
3 information that Jack gave you today, external exposure is not
4 really the key to this site.

5 But in addition, we chose to apply the limited
6 resources to the area of greatest concern, which is the area
7 of known disposal of radioactive materials.

8 MR. KINNEMAN: I understand. But, to achieve what
9 end? That's what I'm trying to get at? What's the objective
10 of what you're doing and in response to what concerns so we
11 are on the same wave length?

12 MS. BERGER: The intent was to look at the
13 difference in quantity in specific locations, meaning where
14 the ORU^A study went on, the difference in quantity between 1981
15 and now, plus extend our knowledge. And we're not saying it
16 would be a complete definition of boundaries of that Category
17 3 area, but certainly a better definition of the boundaries of
18 that one key area where the known disposal of radioactive
19 material lies. That's what they're proposing to do now. A
20 better definition of boundaries of the primary area. Not the
21 area where there is no historical record of dumping of
22 radioactive materials, and there is no supporting external
23 doses. We're making that a lower priority area.

24 MR. COSTELLO: I want to follow what Mr. Gutierrez
25 says about the staff's evaluation of the technical adequacies.

1 I think I said earlier, I think we still have some technical
 2 differences on the migration in terms of how well the
 3 hydrologist^y ~~is~~ ^{is} characterized, and the scope of isotopes you ~~are~~
 4 looking for, and the technical issues discussed in our letter.

5 But I think the larger area ^{of problem that} we find with the plan is
 6 the scope. So I think we have both. I don't want to give you
 7 the impression that it ^{was} ~~is~~ in the limited scope of off-site
 8 migration that everything is fine. I think we have some
 9 technical problems with that. But I think the bigger area of
 10 what we expected the plan to be and what the plan ^{was} ~~is~~ in
 11 terms of the overall scope and in terms of ^{looking at} what's there now. So I
 think you get two areas where we have problems.

12 MR. NUCCIARONE: I don't disagree with that. ^{And to answer} ~~We~~ ^{Your question}
 13 asked IT to be here because I am not a technical person and am
 14 relying on what the technical people tell me. But there is
 15 obviously some difference of opinion. We're here to address
 16 those technical questions that your staff has raised.

17 MR. KINNEMAN: Could I follow up with another
 18 technical question because I think it leads along the line.
 19 You've proposed a thing that's technically based. On the
 20 basis of a technical judgment this is what we can do, what you
 21 can do under the circumstances. It seems clear that everybody
 22 agrees that that's less than the order perhaps envisions. In
 23 other words the order envisions something that ^{was} ~~is~~ larger in
 24 scope. Nobody's disagreeing with that.

25 MR. LIEBERMAN: We all agree that what you're

1 proposing is not what we required in the order.

2 MR. MILLER: We have indicated our findings.

3 MR. O'DONOGHUE: But again, subject to what we said
4 before was that it was our understanding that this was going
5 to be something developed jointly with the NRC.

6 MR. LIEBERMAN: Whatever, the clear words of the
7 order calls for a plan for a specific purpose, and that is to
8 be able to reach decontamination. ^{MR. MILLER: No. MR. LIEBERMAN:} It appears what you've
9 submitted, and there may be good reasons for what you've
10 submitted and it may be a very nice thing[^] to do, but it
11 doesn't appear that anyone is saying that what was submitted
12 was what was required by the specific words of the order. Is
13 that correct?

14 MR. NUCCIARONE: ^{Well,} I can't say it's correct simply
15 because ^oas I recall the order, and I don't have it in front of
16 me at the moment, but the order calls for a plan for
17 decommissioning. I suppose all of us technical people and
18 lawyers together could sit around and attempt to define what
19 that means.

20 But let me just suggest this. I don't think it
21 serves our mutual purposes to argue about what constitutes a
22 decommissioning plan. Yes, we will concede that ^othese words
23 are used in the order. What we're here to do is to present to
24 you a plan that is designed to address some problems, and we
25 really frankly came here for the purpose ^{to} ~~of~~ exchanging ^e ~~ing~~

1 information and answer~~ing~~ ^{that} questions so we can proceed ^{toward} ~~with~~
2 that objective.

3 MR. WEISMAN: I think Mr. Lieberman's question was
4 directed towards your intent in submitting the plan. Did you
5 think ^{that} you were satisfying the order? Did you know that the
6 order was asking for something different than what you were
7 submitting?

8 MR. O'DONOGHUE: I guess my question is, I don't
9 understand the intent of these questions. Our point is this,
10 that we in good faith submitted a plan that we thought would
11 be then subject to a number, one or more informal conferences,
12 wherein we developed exactly what it is you wanted and what we
13 were able to do. I say in good faith very deliberately here,
14 because I'd really like to end these questions on what is our
15 intent because I'm not quite ^{clear} ~~sure~~ where you're going or where
16 you're coming from.

17 I know that my good faith here was developed from
18 conversations with NRC staff. Based on those conversations we
19 in good faith felt we could submit a plan which we could
20 handle, which we could finance, which would address major
21 concerns as we perceived them, and then discuss and conference
22 from there.

23 MR. GUTIERREZ: But recognize ^{the} ~~that~~ part of the
24 puzzle that's being added here today that the NRC staff has
25 been struggling with up until today is ^{even} with your reduced

1 plan, I'll call it reduced, you've always caveated it with "we
2 don't have funds to implement it." I gather from Mr.
3 McElvenny's comments and maybe others, that today you're in a
4 position to tell us what you really can finance. Would it be
5 helpful for you all to caucus and maybe provide some
6 specificity as to...

7 The NRC is struggling with ²who are we dealing with
8 here. If you can come back and say we can do this plan that
9 we may or may not have some technical problems with, but
10 certainly technical people can refine a plan, but we can do
11 this plan and with this money up front or this money on an
12 annual basis. That gives us something we can deal with
13 concrete.

MR. NUCCIARONE: Just bear with us for ten seconds.

MR. GUTIERREZ: We'd be happy to break for five minutes if you like. MR. NUCCIARONE: That's not necessary.

14 ^AMR. MILLER: Are you saying you would accept the
15 plan we gave you if --

MR. GUTIERREZ: No. Not at all. No.

16 ^A~~MR. NUCCIARONE: No I am not.~~ I'm saying that we
17 cannot intelligently deal with it without knowing whether
18 there's any likelihood ~~that~~ even that^s ~~is~~ going to get done.

19 MR. NUCCIARONE: Just give us five seconds.

20 (Pause)

21 MR. MCELVENNY: If I may, let me informally address
22 the funding matter.

23 As we discussed before the break, audited financial
24 statements of both companies and tax returns have previously
25 been provided to the NRC. They demonstrate a very limited

1 capacity to undertake a major, long term program, ~~x~~ on an accelerated basis.

2 The people that run the Safety Light Corporation I
3 believe have done an excellent job. It's been my
4 understanding that they've been in close contact with the NRC
5 throughout this last decade, ~~has~~ ^{They've} been subjected to numerous
6 inspections, both announced and unannounced, as ~~are~~ ^{is} in the NRC's
7 charter to perform.

8 The great care and energy and resources which have
9 been expended during the past ten years to my best knowledge
10 have resulted in excellent reports as to ongoing operations
11 from the inspections of the ~~United States~~ ^{NRC itself}.

12 Certain problems have developed which affect Safety
13 Light and USR Industries which are not the doing or really
14 anything that the officers of the company during their lives
15 have had any knowledge about. Some of the liabilities which
16 are alleged against USR Industries, ~~and~~ ^{or} Safety Light and ~~within~~
17 ~~that view~~ ^{do not deal with} of this particular site, arise from other sites in
18 other parts of the country which have either been license^d
19 disposal facilities through which small amounts of materials
20 were transported or trans-shipped, or former ore processing
21 facilities which were conducted as long as two or three
22 generations ago and were conducted in a manner which was, we
23 believe, and this has been litigated once in a trial, we
24 believe were excellent according to the standards of
25 technology of the times.

1 To date, USR Industries has been in litigation,
 2 complex environmental tort~~x~~ litigation involving many parties,
 3 many claims, and now several years duration. We have gotten
 4 excellent cooperation from one insurance company in
 5 particular, a major one, INA. And Guy Cellucci whose firm is
 6 the counsel for this area of the United States for INA in
 7 these matters has been ^{co}instructive and cooperative during this
 8 long period of time.

9 I think it works a gross injustice on these small
 10 companies, on their officers and on their employees and on the
 11 towns they serve and live in, to be asked by a powerful
 12 regulatory agency to engage in this kind of review process.

13 To the extent that the company is able to do so, it
 14 gladly does, ~~performance~~ ^{its} obligations ~~of the~~ ^{as a} licensee. On a
 15 current basis, as far as I know, the Commission has good
 16 things to say about ^{the operation of} Safety Light as a licensee.

17 Now the question arises under recently enacted laws
 18 which have new viewpoints as to responsibility, and under
 19 recently developing case law which some people think may limit
 20 the responsibility of insurance companies in these kinds of
 21 matters, whether a [[?]probing] can be undertaken. We've given you
 22 a good faith undertaking.

23 From the standpoint of USR Industries and given the
 24 background that I've just gone into, we are making
 25 arrangements through the sale of assets to be able to fund the

1 program that we put before you today. From a corporate
2 standpoint, obviously, it would not be a plan that any
3 rational businessman would support, that a corporation's assets
4 should just be gradually sold off and those assets instead of
5 being reinvested in employment producing, job producing,
6 activities, would instead be devoted to a non-revenue
7 productive activity such as a million dollar commitment, for
8 example, to perform a review that has almost unlimited scope
9 for the site.

10 We are prepared, however, on behalf of USR
11 Industries, to live in good faith with the commitment that we
12 have made to you, or which we thought we made by submitting
13 this plan in good faith. It will be a strain financially, and
14 it will be detrimental to the long term future of the company
15 and the stockholders, and ultimately have to understand that a
16 lot of lives here that are involved in Bloomsburg, the people
17 who work at the plant and derive their livelihoods from that
18 economic activity at the plant and all the indirect economic
19 benefits to Bloomsburg that do amount in total to millions of
20 dollars per year, we are responsible for continuing that, if
21 we can, as managers. But we are prepared to meet the funding
22 requirements of this program which we brought to you today.

23 It has been developed in good faith, and we are able
24 to do that.

25 I want to say one more thing which is about

1 involving the insurance companies.

2 Obviously we take the position that were a guy
3 driving ^lawfully down the highway and suddenly a truck swerves
4 over driven by a crazy drunk and comes from the other side of
5 the freeway and hits us head on and flattens us. That's an
6 unfortunate circumstance. I suppose the first thing the
7 driver asks is ^owhether the other guy is insured.

8 We hope ^{that} insurance will be available to help with
9 these programs. As a practical matter if no insurance is
10 available and the company is ordered to do something which it
11 cannot do, the next step is the extinguishment of the company
12 and the cessation of the economic activity which has continued
13 for generations in Bloomsburg, Pennsylvania.

14 If a reasonable plan can be put together which
15 addresses the concerns the NRC has and fulfills its mandate
16 and its enforcement obligations, then perhaps the insurance
17 companies will look upon the possibility of their
18 participation more favorably. If a humongous monstrosity of a
19 plan is developed, then the claims will probably not be as
20 likely to find favorable response. And who knows what the
21 outcome of the subsequent court fight will be?

22 We are now suing about 50 insurance companies around
23 the world to establish insurance coverage matters and the
24 limitations of that coverage if any. That has been an
25 expensive fight. That alone has drained USR Industries.

1 If we put a little bit more of our resources into
2 characterizing the Bloomsburg facility, then since the
3 resources ultimately are finite and small we're allocating
4 less to the possibility that we can be successful in the
5 insurance actions. Those are declaratory judgment actions.

6 From this company's perspective as well as that of
7 the NRC, I would think that they should recognize the benefits
8 of a speedy and just determination of the insurance questions.

9 I would like to ask, if he wants to, Guy Cellucci to
10 comment briefly for himself on behalf as his carriers as to
11 what I've said and indicate his position.

12 MR. CELLUCCI: I represent INA or Signa who is an
13 insurance carrier for United States Radium Corporation.

14 As you've heard, they have a number of sites in New
15 Jersey and at least one in ^{site down} Kentucky in which we are defending
16 them now concerning ^{environmental} contamination. There is also declaratory
17 judgment action pending in the state court in New Jersey, in
18 Newark, New Jersey which is ongoing. I don't quite think
19 there are 50 carriers, but there are a good number of
20 carriers. We are one of the primary carriers. We are, as I
21 said, defending in the New Jersey litigation, and we are the
22 only carrier defending in the Kentucky site, the Maxie Flats
23 cleanup site.

24 We received notice of this claim this spring and we
25 are still receiving documentation. I'm not quite sure if I

1 have this June 16th ^{packet} ~~document~~ that I see in front of me. We
 2 are not in a position now to make any determination one way or
 3 another on coverage. It is something that will have to await
 4 further factual investigation. All I can say is that if there
 5 is a responsibility we'll undertake to do our share. There is,
 6 however, limited policy limits available, even if it was a
 7 clear case of insurance ^{Coverage} ~~funding~~, so this unlimited funding
 8 just (is) not possible even with insurance carriers'
 9 participation.

10 We do not know what ultimately will be the result of
 11 the New Jersey litigation, but certainly whatever results
 12 there will also cause the allocation of resources there, and
 13 they're set ~~with~~ policy limits, at least from my company's
 14 standpoint.

15 That's about all I have to say.

16 MR. BEAUCHAMP: So the record is clear, ^{too,} Safety Light
 17 Corporation makes the same ^{Commitment} ~~comment~~ as with respect to the
 18 present proposed plan as does USR Industries.

19 MR. GUTIERREZ: Let me understand what that ^{Commitment is.} ~~comment~~
 20 ~~me~~ As I understood what Mr. McElvenny, you said. I heard
 21 you say that USR Industries ² without regard to how the coverage
 22 question may come out, is currently committing to use their
 23 funds to meet the expenses incident to doing the proposed plan
 24 that was submitted to the NRC on June 2nd? Is that what I
 25 heard you say?

1 MR. MCELVENNY: Yes. We are working with Safety
 2 Light Corporation to respond voluntarily and together, between
 3 us, commit these necessary funds. These are not funds that we
 4 have on hand. They can only be generated by the sale of
 5 assets. The company does have certain assets that are not
 6 presently encumbered by indebtedness and it has other assets
 7 that are encumbered by indebtedness. But we are prepared to
 8 make an orderly disposition of some unencumbered assets and to
 9 use the proceeds thereof to meet the defined commitment under
 10 the joint proposal.

11 MR. GUTIERREZ: I'm confused in that Safety Light is
 12 making the very same representation. Have you talked prior to
 13 this meeting? ^{Is it a 50-50?} Are you saying you're going to meet half each?
 14 Mr. Miller, have you given this some thought?

15 MR. MILLER: I don't think we've defined exactly the
 16 percentages on that. I think we do need to talk about that.
 17 But yes, we have the same commitment to fund whatever our
 18 share may be of that proposal.

19 MR. GUTIERREZ: Can you give the NRC an appreciation
 20 for what this proposal is going to cost and what these
 21 unencumbered assets are that you can free up to ^{fund} ~~cover~~ the
 22 proposal?

23 MR. MCELVENNY: I don't know exactly. Perhaps ^{the attorneys can help} IT ^{me or} or
 24 Jack can. ~~help me~~ ^{can}

25 MR. GUTIERREZ: ^{Understand,} I'm not trying to ask a trick

1 question. We're trying to test the feasibility of what you're
2 suggesting here.

3 MR. MCELVENNY: I think we have \$100,000 is the
4 order of magnitude of the cost of the study.

5 MS. BERGER: \$116,000.

6 MR. MCELVENNY: \$116,000. Now USR Industries has an
7 interest in a building in Houston through a limited
8 partnership. USR Industries is the, through its subsidiary,
9 the largest single owner of the building and has been managing
10 the building for the past couple of years.

11 We are exploring actively a way of disposing of part
12 of that interest for cash so that USR Industries will have
13 funds available.

14 MR. GUTIERREZ: Mr. Miller, for your part where do
15 you see the Safety Light money coming from?

16 MR. MILLER: For our portion of the funding we also
17 are going to look at any excess machinery that we have as well
18 as being that it's a six month program, hopefully we can fund
19 it out of revenues also.

20 MR. MCELVENNY: I want to put on the record that USR
21 Industries is not currently profitable. In general, it would
22 be profitable if it were not for the expenses of environmental
23 litigation generally. Other than this matter.

24 The unreimbursed costs of that litigation directly
25 and indirectly are staggering for a small company.

1 MR. GUTIERREZ: Again, in trying to better
2 understand the likelihood of this plan being performed, you've
3 initiated actions to sell this building? Is IT awaiting the
4 sale of that building to begin work? What's the dynamics
5 between the group? We really don't know.

6 MR. MCELVENNY: We are trying I think very rapidly
7 and affirmatively to the requests and orders from the NRC.
8 They were on an accelerated timeframe that might typically be
9 something that a big company, an Exxon or a Dow~~X~~ Chemical
10 could turn around quickly. They have internal legal staffs
11 and they're capable of responding to this order.

12 We had made a ^{good} response which ^{has} required a lot of work.
13 Our company, USR Industries, has explored with its general
14 corporate counsel which is in Denver, Colorado how
15 mechanically and under what ^{timing} ~~time~~ it could sell a part of its
16 partnership interest in the partnership which owns ~~the~~
17 buildings. I believe that we can proceed and that there has
18 been no hold up at all in the work that's been necessary to
19 prepare this plan. IT has proceeded apace consistent with
20 their internal scheduling and they have not been held up ^{by} ~~with~~
21 our inability to fund ^{them}.

22 MR. BEAUCHAMP: We should also note that Safety
23 Light itself has spent approximately \$25,000 on the remedial
24 measures that Mr. Miller has described already to date, and
25 the commitment made by Safety Light and USR Industries is a

1 firm one as to this particular matter.

2 MR. MCELVENNY: It's a joint commitment with the
3 percentages to be worked out between us. As a practical
4 matter if you put this into perspective, a lot of energy and
5 technical capability is being focused by the NRC on this
6 matter. We have been through years of the most diligent kind
7 of work and the most difficult kind of litigation which have
8 drained the resources of the company.

9 Again, there are no allegations or suggestions that
10 the people who are responsible for running the company have
11 done anything but an excellent job for years. With small
12 resources they've done excellent work. The Commission's, the
13 NRC's internal records I think, so far as they've been
14 communicated to me and I've seen copies of them, do reflect
15 excellent work at Safety Light Corporation.

16 If we without any insurance ^{coverage} ~~company~~ were to have to
17 even host this gathering today and pay for the transportation
18 charges, the facilities, the indirects, the overnight
19 accommodation for people ^{who have} ~~to~~ ^{ed} travel up here from other cities,
20 that alone would be a very substantial undertaking. It would
21 bite into our ability to do other things.

22 So we want to husband our resources and devote them
23 to the areas where they can do the most good.

24 I would also emphasize again that we feel ^{that} our
25 resources are of two types. One, ^{are} ~~are~~ financial. The other are

1 the managerial and technical on-site capabilities which
2 hopefully Safety Light add~~x~~ to the equation very substantially
3 to the determination^{of} and the assurance that there is no
4 immediate or long term danger to the public^o to the
5 understanding of what is at the site and how the economic
6 activity carried on there can continue. The contribution is a
7 very substantial one.

8 MR. LIEBERMAN: Having heard that, the plan that was
9 submitted calls for a 20 week~~x~~ schedule. Are you saying if we
10 approve this plan that you're prepared to achieve this plan
11 within 20 weeks of approval? Or do you have another
12 negotiating period to determine when you're going to start
13 implementing this and then 20 weeks thereafter?

14 MR. MCELVENNY: I'm only tangentially involved in the
15 technical matters. USR Industries is not a licensee. It
16 doesn't conduct licensed operations at Bloomsburg.

17 In terms of the financial commitment, if that's what
18 you're asking, then I would fee^l confident that we will be able
19 to raise sufficient money to work out with Safety Light
20 Corporation a voluntary payment to fund this plan without
21 delays occasioned by the unavailability of money.

22 MR. LIEBERMAN: So I think what you^{just} said was that
23 the companies are prepared^o upon approval of the plan that was
24 submitted^o to proceed and do it in accordance with the schedule
25 that was submitted with the plan.

1 MR. MILLER: I think the answer to that is yes, but
2 I think IT Corporation, and they can speak for themselves, may
3 need some start-up time to make arrangements to get going. We
4 just can't ask them to forsake other clients to get to ours.

5 MR. LIEBERMAN: ^{Well, we can ask them. We have them. But, as a practical matter...} The plan says upon notice to
6 proceed, IT Corporation will begin the on-site work within
7 four weeks.

8 MS. BERGER: Right. Once everything is mobilized,
9 and I'm sure you can appreciate what it takes to get teams of
10 people up there and get organized and ready to go. Once ^{everything is} ~~teams~~
11 ~~are~~ mobilized it would take 20 weeks real time to complete
12 that project. In our discussions with Safety Light
13 Corporation we've always had six months in the back of our
14 mind. We keep four extra weeks tagged ^{on} there. A week or so to
15 get rolling and we never know about weather and other
16 contingencies.

17 MR. NUCCIARONE: Carol, as you sit here today do you
18 know of any reason why IT Corporation couldn't begin to
19 mobilize ^{toward this objective} within the next week or two?

20 MS. BERGER: Generally for any project we're
21 involved in we figure about one week to be prepared.

22 MR. NUCCIARONE: Does that respond to your question?

23 MR. LIEBERMAN: Just to sum up, you're ready here
24 and now to begin this plan if we approve it?

25 MR. MILLER: ^(and others) Yes.

1 MR. GUTIERREZ: Having heard from the companies, the
2 representative from the insurance carrier, are you in a
3 position to tell the Commission the likelihood of coverage or
4 the schedule that this declaratory judgment action is on to
5 ultimately decide whether coverage should be extended?

6 MR. BRUNO: Maybe I should just say, I'm involved
7 with the declaratory judgment action. There are 19 insurance
8 companies, I wish there were 50. Somewhere on the order of 10
9 different claims, some involving the Essex County radium
10 sites, most of them actually involving those sites.

11 We have just recently sent out notice letters, I
12 guess it was about a month and a half ago. We are now
13 receiving responses from that. Most of the responses if
14 they're not form disclaimers ending with "give us more
15 information and we'll reconsider," if they're not along those
16 lines which are typical, they're more along the lines as Guy's
17 have been, "provide us with more information, let us know
18 what's going on, we need more before we can decide ^{where} ~~which way~~
19 we're headed."

20 I am right now amending the complaint in that DJ
21 action to bring in the NRC claim within the ambit of that law
22 suit so now we have a formalized legal claim. All I can tell
23 you from our perspective, the case itself was just reactivated
24 about five months ago. It had been on the inactive list over
25 there because we had in place a defense agreement with INA and

1 four other carriers and Guy could tell us more clearly, but
2 we're talking probably on the order of seven figures have been
3 spent to date by the carriers for these other law suits, so
4 obviously the carriers are getting a little bit anxious about
5 trying to get the coverage issues resolved one way or the
6 other, and ^{we've got} ~~we~~ have excess coverage which has never kicked in
7 yet.

8 So right now we're at the point where the carriers
9 want the issues determined, the insured's want the issues
10 determined, hopefully in our favor, and we'll resolve the
11 issues ^{one} and for all, and that's where we're headed.

12 We're in discovery now. We've got it all in phased
13 approaches. The first phase is supposed to be completed at
14 some point during the fall. It's probably going to be
15 extended through ^{that} ~~then~~. So unless Guy can give you a better
16 idea, I don't know if we can ^{really} ~~can~~ give you a time framework other
17 than if a carrier wants to come in or a group of carriers like
18 they have in the other cases, come in on a reservation of
19 rights basis to be determined at a later date in this coverage
20 action. That's really the only ^{kind} ~~time~~ of time frame we can talk
21 about. It's kind of hard to judge where we're headed because
22 of the number of parties involved.

23 MR. CELLUCCI: The carriers have spent to date in
24 excess of \$2 million on the various claims in New Jersey and
25 dowⁿ in Kentucky. There are substantial issues that ^{they} ~~may~~ be

1 resolved, hopefully they'll be resolved at the trial level,
2 but even so ~~it~~^{they} will probably go up to the appellate courts.
3 So it's very unlikely to say there ~~will~~^{'ll} be a ~~g~~^{'re} solution in the
4 next six months to a year.

5 That doesn't mean that if things are worked out
6 between the NRC and Safety Light and USR Industries that some
7 carriers may not come in in the interim and participate in
8 some way to assist them and ^{to} minimize the expenditures and
9 unnecessary waste of resources. But I just cannot say at this
10 time when we'll be in a position to make that decision. ~~They~~^{We}
11 have done it in the past, but I can't promise you that it will
12 be done in this case. This site involves different ^{types} ~~kinds~~ of
13 facts than were involved in the other ~~cases~~^{sites}.

14 MR. GUTIERREZ: What I'm taking from that is the
15 actual declaratory judgment actioⁿ is in discovery and will be
16 through the fall, or at least to the fall. It's unlikely that
17 you'll get resolution at the trial level within a year, and
18 it's possible that things won't be settled until it goes
19 beyond that.

20 All that being said, there's still nonetheless a
21 strong motivation on the part of all to settle, but I guess
22 you're not in a position today to tell us.

23 MR. CELLUCCI: There's only one carrier here, first
24 of all, today. And we don't know what we are settling. We're
25 hearing numbers, I've heard ^{actual} numbers this morning of about

1 \$116,000 from IT. I don't know what your proposal is and I
 2 don't know what the next step is. If we were only talking
 3 about a \$116,000 claim and that's all it were, ^{we could} ~~we would~~ attempt
 4 ~~to~~ come to a resolution in a short period of time. But we
 5 don't know what the next step is, and having millions of
 6 dollars, if it's going to be in the millions of dollars, to
 7 decontaminate the site.

8 MR. NUCCIARONE: There's an element of business
 9 decision making on ^{the} ~~a~~ carrier's part^s. It's one thing to ask a
 10 carrier to write onto unidentified reimbursement. That's the
 11 problem. If we were to come away knowing exactly what the
 12 next step would cost. That proposal put before the carriers
 13 would cause the carriers to decide whether they ^{wish} ~~want~~ to make
 14 the business decision to reimburse that amount ^{of} ~~or~~ money or
 15 proceed to challenge the claim. So it's a little difficult to
 16 answer the question without knowing exactly what^y the question
 17 is.

18 MR. BRUNO: We have, and I don't know how familiar
 19 you are with ^{the} insurance issues, but you have certain things
 20 like occurrence and ^{number of the} releases and whether there's a chance of
 21 ^{site} ~~offer~~ migration and ^{is} ~~whether~~ there ^{or} ~~is~~ a chance ^{of} ~~of~~ threat of
 22 ground water contamination and things like that which raise a
 23 whole host of insurance coverage issues. Many of those issues
 24 cannot be looked at or considered really intelligently by
 25 either side, either ^{us} ~~the rest of~~ the insureds or the carriers,

1 until we start getting more site information. So ^{that} plans such
2 as the one proposed by IT Corporation also go along the same
3 lines of determining whether or not there's coverage. The two
4 things are not mutually exclusive.

5 So as more and more information is gathered on the
6 site and we start gathering not only the historical
7 information but actually the information of the contamination
8 and characterizing it and source and the extent of it and all
9 that, then we start getting further along ^{with the} ~~the~~ insurance issues.
10 So all of these things are sort of going to go hand ^{and hand} together.
11 I don't think we can do them separately.

12 MR. KINNEMAN: If I could comment on that, I guess
13 our thinking ⁱⁿ ~~on~~ that area is not terribly different. If I
14 could pursue a slightly different line.

15 Our thought all along was very similar that one of
16 the problems we have here is we have a lot of information
17 about the site but we don't have enough information to come to
18 that conclusion. We have on the table a proposal by the
19 licensee or you people that costs a certain amount of money.
20 There is some work to be done as a result of that afterwards
21 that costs an indeterminate amount of money. That's always
22 been the whole problem of us, is it a reasonable thing to ask,
23 how much is it going to cost?

24 What I'd like to ask, and I recognize this is a bit
25 unfair, but because I think it's important for us to

1 understand where you're coming from, I think we have definite
 2 opinions on it, is presuming this proposal does exactly what
 3 you say it does, and we would like ^{perhaps} to have some technical
 4 discussions about that, but presuming that and presuming that
 5 there is some agreement on what we're looking for. In other
 6 words, what we envisioned in the order.

7 How different, in your view, is what you gave us
 8 from what you think we're looking for? ^(Inaudible Comments) Are you talking
 9 \$116,000? Does it cost \$1 million to do what we're ^{asking} ~~looking~~
 10 for in just the characterization plan? I'm just trying to
 11 find out how far apart we are ^{on} ~~in~~ that issue alone.

12 I'm not trying to entrap you, I'm just trying to
 13 find out where we are. Are we talking twice, ^{ten} ~~the~~ times? I
 14 don't know.

15 MR. NUCCIARONE: As a result of our informal
 16 discussion, and I'll ask ^{IT} ~~you~~ to correct me if I'm wrong, but
 17 it's our calculation that a full characterization plan of the
 18 entire site, including some off-site studies would be in the
 19 area of a million dollars or more. That's why we reached the
 20 conclusion that --

21 MR. KINNEMAN: That's what I wanted to get nailed
 22 down. So you're saying ten times ^{as much} ~~the amount of~~ resources to
 23 accomplish roughly what you think we were asking for in the
 24 order.

25 ^{Well, again,}
 MR. NUCCIARONE: I have to --

1 MR. KINNEMAN: I'm not trying to trap you on that ^{issue}.

2 MR. NUCCIARONE: Generally yes, but it goes without
3 saying that we've never really sat down and found out exactly
4 what you meant ^{by the characterization plan.}

5 MR. KINNEMAN: I understand. It's just helpful to
6 know ^{I think, how much different.} ~~what you meant.~~

7 MS. BERGER: Our best estimate, having done these
8 types of characterizations in the past, is that to accomplish
9 something on that order will approximate about \$1 million.

10 MR. KINNEMAN: And your best estimate presuming
11 again that we were going to decommission the site, presuming,
12 is that what's necessary, or can it be done with less?

13 MS. BERGER: I think, and this is where we're hoping
14 we can develop a dialogue here, is the approach to
15 decommissioning. If we are going to start with ^a full
16 knowledge, full understanding of the inventory and
17 distribution of radioactivity on the site itself, that's a
18 high dollar value there. However, if we can confine our focus
19 to areas that have ^{got} the highest probability of movement of
20 materials, look at those first instead of the site in its
21 entirety.

22 This plan we envision we think has two phases to it.
23 It doesn't just answer the speed of migration question, but it
24 will also define the priorities for future remedial actions.
25 And we decided to focus ^{to} ~~and~~ concentrate the limited resources

1 on the area where there is known, ^{there is} documented, ^{there is} and measured
 2 radioactive materials disposed of in those areas. ^{And} That was
 3 the intent of the plan.

4 MR. COSTELLO: You say to focus your efforts on the
 5 ^{places} ~~areas~~ where we have known contamination. Focus ^{your efforts} on doing what
 6 about the areas of the known contamination?

7 MS. BERGER: Defining the boundaries and the
 8 character of those areas.

9 MR. COSTELLO: ^{By character,} What do you mean by character?

10 MS. BERGER: Hang on a second.

11 (Pause for discussion)

12 MS. BERGER: Do you know what I mean when I say a
 13 Category 3 area? *This is what we generically defined as ...*

14 MR. COSTELLO: I know what boundaries mean, it's
 15 character I'm not sure of.

16 MS. BERGER: The intent of the plan is to identify
 17 the type of radio^{nuclide} in that area and roughly the
 18 distribution of the radio^{nuclide} ^{with} in that area, not whether
 19 it's moving in and out, just where it sits.

MR. COSTELLO: Thank you.

20 MR. KINNEMAN: Just one or two other questions in
 21 this area because we want to understand it, then I think we
 22 want to go back to some other issues and probably not beat the
 23 individual technical issues to death.

24 From what you're doing in that area, say in ^a ~~the~~
 25 Category 3 area, would you envision that you would develop

1 sufficient technical basis from what ^{you've} proposed and what's
 2 agreed to to decommission that area, not the site but to
 3 decommission that area, or ^{would} you expect there would be
 4 additional work necessary to develop a decommissioning plan,
 5 recognizing that the development of the plan would probably be
 6 additional effort and funding outside of it. But is there
 7 enough...

8 MS. BERGER: Given that we knew what decommissioning
 9 would entail. This would provide a lot of ^{that} information, it
 10 would not provide all of it. But ^{that} we would have to understand
 11 what decommissioning would entail.

12 MR. KINNEMAN: I understand.

13 MS. BERGER: Decommissioning ^{of} a facility where the
 14 majority of the radio nuclide is Radium 226 is a different
 15 issue than...

16 MR. COSTELLO: I think the order makes ^{it} clear ^{what decommissioning} the ^{entails.}
 17 answer to that question. *MS. BERGER: Pardon me?*

18 MS. BERGER: Again, we're back to the definition in ^{MR. COSTELLO: I think the}
 19 the order, no it does not. Just like the claim. ^{order makes clear what}

20 MR. COSTELLO: I don't feel, there shouldn't be
 21 uncertainty of this on what the order means by
 22 decommissioning. "-- shall be sufficient to develop the
 23 complete plan for decontamination/removal operations necessary
 24 to permit unrestricted access to the site." That's what the
 25 order says. So I don't think there should be real ambiguity

1 as to what decommissioning means. From the ^{Order's} ~~Board's~~ point of
2 view, that's what it means.

3 MS. BERGER: But decommissioning, never mind. This
4 is a difficult property to apply that type of decommissioning
5 to. It's been attempted in many places around the
6 countryside. You can scrape that property down and ^{you can} barrel it
7 up and you're still going to have barrels of material there
8 because there's nowhere to send it. So with all of those
9 things in mind if we take your order at face value, no, it
10 will not address decommissioning, meaning removal and transport
11 of that material someplace else.

12 MR. KINNEMAN: Is it fair if I can just restate what
13 you said then to say that what you proposed was directed at,
14 and you believe it will, identify something about the speed of
15 migration which would allow perhaps evaluation of the present
16 conclusion that there isn't a problem off-site. You might
17 detect problems that have been missed, or you might come to
18 the conclusion that in fact things are all right in terms of
19 threat to the off-site.

20 MS. BERGER: Not just the off-site issue. That's by
21 the boundary measurements in there. As well as ~~looking at the~~
22 off-site it's looking at the Category 3 area itself and
23 looking at how fast things are moving from the Category 3 area
24 within the location. So it's a two-pronged approach.

25 MR. KINNEMAN: Then if I can construct a little bit

1 from what you said, you would also develop priority, you've
 2 obviously identified highest priority these Category 3 sites.
 3 So they're now the highest priority. Perhaps select among them
 4 for what is the highest priority, and then that's where the
 5 proposed plan stops. The information then you believe would
 6 provide a large measure of the information that will be
 7 required to remove the material ^{I won't even call it decommissioning,} from the Category 3 sites if
 8 the conclusion of that survey is ^{that it needs} --

9 MS. BERGER: Stabilize.

10 MR. KINNEMAN: Okay, to proceed on that. That's
 11 what the proposal has intended and that's what you believe it
 12 will do under the circumstances.

13 I think what we'd like to do is perhaps follow up on
 14 one of your suggestions. We've presented a number of other
 15 technical issues and not to pursue those ^{right} at this moment but to
 16 defer those ^{to} another time and go through some other things we'd
 17 like to ask ~~you~~ about. As I said, we have some technical
 18 questions and they may be easy to resolve. Maybe if we talk
 19 about those at another time we can deal with them. Things
 20 like whether additional ground water things need to be done.

21 MR. GUTIERREZ: Let's change slightly the focus ~~and~~
 22 maybe refocus back to the point that this is an enforcement
 23 conference ^{that} and the thrust of what we wanted to talk about ~~was~~
 24 the deficiencies we saw in your response to the order.

25 In the June 16th NRC letter to Safety Light, in

1 Enclosure 1 it listed lettered A through E deficiencies, and
2 certainly we have addressed deficiency A.

3 MR. O'DONOGHUE: Excuse me, ^{Mr. Gutierrez,} before you commence. I
4 now have to leave to go to another commitment. Mr. Beauchamp
5 will be remaining on behalf of Safety Light. Do I need an
6 escort out of here?

7 MR. COSTELLO: I'll do it.

8 MR. BEAUCHAMP: ^{Jay,} if I may interrupt for a ^{second} minute,
9 what is the planned schedule for today? ^{Are} we ^{going to go} through...
10 ^{MR. GUTIERREZ: I suspect} maybe another half hour ^o

11 MR. KNAPP: I ^{would think perhaps} ~~suspect~~ less than that. My preference
12 would be to deal with these A through E issues. I suspect the
13 ones of great interest to us are going to happen ^{rather} ~~very~~ rapidly.
14 I'd like to think we could break no later than 1:45. Then the
15 plan ^{would be} ~~is~~ that we would like to caucus among ourselves and then
16 get together again probably around I would ^{say} ~~say~~ in the
17 neighborhood of around 2:30 to 2:45 perhaps. I don't think
18 that second meeting should run more than half an hour. So our
19 expectation is we should be completed ^{by} some time around 3:00 or
20 3:15.

21 MR. GUTIERREZ: Turning to B, in Enclosure 1 to our
22 June 16th letter, we note that the order required that a
23 corporate officer certify to the accuracy of the information
24 contained in the plan.

25 MR. MCELVENNY: Excuse me, ^{would it be possible to} ~~can we~~ take a short

1 break?

2 (Whereupon, a brief recess was taken)

3 MR. GUTIERREZ: We left off seeking your response to
4 Item B in Enclosure 1 which was the perceived deficiency that
5 the order required a corporate officer to certify under oath
6 to the accuracy of the information contained in the site
7 characterization plan and the intent on behalf of the
8 corporation to implement the plan, and the fact that neither
9 corporation ^{that's} represented here today did that. We'd like to
10 hear why not.

11 MR. NUCCIARONE: Let me just ^{inject} the accuracy of the
12 information contained in the site characterization plan aspect
13 of the order concerns me simply because I have difficulty
14 envisioning how USR Industries or Safety Light could really
15 attest to what in effect IT Corporation has put together as
16 our consultants. So I really have to feel for some guidance
17 from NRC as to what you mean by the accuracy of the
18 information.

19 MR. GUTIERREZ: At what point did that difficulty
20 occur? That asks a question to my question. There was a
21 straight forward requirement in the order that a corporate
22 official certify to the submittal. That's an interesting
23 issue you raise, but at the NRC we assume our licensees are
24 technically qualified to conduct activity that they're
25 licensed to conduct. In other words, although Safety Light

1 Corporation may retain a technical consultant, we assume
2 they're technically qualified to understand what that
3 consultant tells them. Otherwise they should not have a
4 license and they should not be authorized to conduct
5 activities in the first instance.

6 MR. NUCCIARONE: Okay, ^{I, speaking} on behalf of USR Industries
7 which is a tenant on the property and not a licensee of the
8 NRC, we can construct what we can, but I honestly have
9 difficulty envisioning exactly what kind of certification USR
10 Industries could give to the plan itself.

11 When we reach an understanding on what ^{that} ~~the~~ concept
12 is, I'm sure I speak for the company that they will certify to
13 it. But it presents a difficult concept.

14 MR. GUTIERREZ: I suggest it's not as difficult as
15 you suggest. The order says "a corporate officer not lower
16 than the President for each corporation shall certify to the
17 accuracy of the information contained in the site
18 characterization plan." One. "And to the intent on behalf of
19 the corporation to implement the plan." Now let's focus on the
20 second issue.

21 MR. NUCCIARONE: To that aspect, that answer has
22 been given here. We certainly have no difficulty following up
23 in writing. As to the first, ^{let me just ask the question,} would it suffice if there was a
24 certification on behalf of USR Industries to the accuracy of
25 the information in that plan of which USR Industries is in a

1 position to know? Obviously it can't certify to the accuracy
2 of the technical conclusions, technical findings and so forth.

3 MR. GUTIERREZ: Let me explain my understanding of
4 why that requirement was in the order so you could get an
5 appreciation for why we need that. It was not an attempt to
6 catch some officer at a false swearing. It was an attempt,
7 given a number of corporate entities, it was an ^{intent} ~~attempt~~ for
8 the NRC, an attempt on the part of the NRC^o to get some
9 indication of the extent each company has considered its
10 responsibility to clean up the site and has signed on to any
11 plan that's submitted.

12 It would have been of little value to the NRC if
13 they received a plan from USR Metals and we had no indication
14 to what extent USR Metals was going to commit to the plan and
15 had the financial wherewithal to implement the plan.
16 Therefore, there was a desire to find out what particular
17 corporation considered the plan that was drafted and was
18 prepared to put some financial resources into the plan.

19 MR. NUCCIARONE: As to that, ^{part} I don't think there's
20 ~~been~~ a problem. That's been given orally and we can follow
21 ~~that~~ ^{with that} up [^] in writing. I'm referring to the first aspect, the
22 accuracy of the information in the plan. We can construct
23 something that will respond to that, but if your primary
24 concern is ~~the~~ certification ^{as to} ~~of~~ the ^{intent} ~~attempt~~ to fulfill the
25 project that is described by the plan, I don't see any

1 difficulty in having that forthcoming. I believe it's been
2 given orally by Mr. McElvenny today. The second half I don't
3 see a problem with. I have a concern about the first half,
4 the accuracy of the information.

5 We can construct a response to that ^{which} ~~that~~ will
6 essentially say, ^{that} it will certify to the accuracy of the
7 information to which it has knowledge. Is that acceptable to
8 you?

9 MR. GUTIERREZ: I guess what we need is an
10 appreciation for ^o prior to the June 2nd submittal on the part
11 of the companies, what consideration if any was given to that
12 aspect of the order.

13 MR. NUCCIARONE: What aspect?

14 MR. GUTIERREZ: In other words you were responding
15 to an order, an element of which was have a corporate officer
16 certify under oath to the plan and his or her corporation's
17 willingness to implement the plan. What we got on June 2nd
18 was a letter from corporate counsel, from Safety Light as I
19 recall, with no indication as to which one of the various
20 corporations were buying into that plan. We need an
21 appreciation for --

22 MR. NUCCIARONE: We'll correct that. We will
23 continue the discussions we've had today among the companies
24 and we will correct that. If what you're saying is you would
25 like to see each of the respondents certify that it will

1 commit X amount of money or X percentage of money towards
2 fulfillment of the plan, I see no reason why that cannot be
3 forth coming.

4 MR. MARTIN: Let me ask you a question. You had an
5 order in hand. It had a specific requirement. You deviated
6 from that requirement. Was it on purpose that you deviated
7 from it? Did you not recognize it was a problem and you felt
8 the need to call NRC? Did you know that requirement was in
9 there or had overlooked it?

10 MR. NUCCIARONE: By requirement you mean --

11 MR. MARTIN: The requirement ^{specifically} was that there would
12 be certain signatures on it. Why were they not ^{...} fulfilled?
13 What led you not to follow the order?

14 MR. NUCCIARONE: I don't think the companies were at
15 that point in time in a position, mindful of the fact that USR
16 Industries is a public company, in a position to commit funds
17 at that moment in time. Is that correct?

18 MR. MCELVENNY: Yes, the order was on an accelerated
19 basis from our point of view, and USR Industries is not a
20 licensee to NRC, and we saw the language of the order which
21 asks for a certification on a highly technical matter about
22 which we honestly don't have very much expertise. It's a very
23 difficult position.

24 It's a very difficult position to ask someone who is
25 not technical to certify as though he were a licensee to a

1 technical matter. I don't ^{see how} ~~think~~ that's really possible.

2 MR. MARTIN: Then finding yourself not able to
3 comply, why did you not ask some questions?

4 MR. MCELVENNY: In any case, to respond to your
5 question, we were very hopeful and had in mind to have
6 informal discussions with the NRC. We had understood that it
7 would be a hearing or perhaps a series of pre-hearing
8 conferences at which some of these questions could be
9 discussed that we have discussed in here today. Our
10 viewpoints put on the table and resources that USR Industries
11 has be clearly reiterated. I think that's been done today.

12 The odd thing is you ask whether ^{something} ~~we~~ was mistaken. I
13 do recall signing some certifications, and looking at this,
14 I'm a little bit surprised, there may be an element of mistake
15 or mutual mistake, but what was it ^{that} we certified, the accuracy
16 of the financial statements?

17 MR. JOYNER: Yes.

18 MR. MCELVENNY: Okay, the accuracy of the financial
19 statements was ^{independently} certified then, that's what it was. I really
20 wasn't aware of this focus. I think the language is very
21 similar as to certifying as to the accuracy of a written
22 document, and while not hiding behind law firms at all, we do
23 have a very competent law firm which has worked with us on
24 these matters for years, and I don't think either of us really
25 focused on any kind of a deficiency in terms of signing. I

1 have the recollection of a ^{manual} signature. There certainly wasn't
2 anything intentional about this. We have tried to make clear
3 representations today. And in the meantime, before we got
4 here, to have done what is necessary with a very small asset
5 base to be able to arrange the kind of ^(unintelligible) we made today.

6 MR. GUTIERREZ: Does Safety Light have a separate
7 response?

8 MR. BEAUCHAMP: Yes. In Safety Light's case we
9 inadvertently omitted the certifications or affirmations, and
10 I've had Mr. Miller and Mr. White execute affirmations
11 referencing the June 2nd letter which I have here and I'll
12 give to Mr. Joyner with a cover letter addressed to Mr.
13 Joyner.

14 I also join with Mr. Nucciarone's comments regarding
15 certifying the contents of the IT Corp. plan. We, in
16 preparing the affirmations, assumed that you were obviously
17 concerning yourself with the issue of whether or not the plan
18 was being submitted on behalf of Safety Light Corporation in
19 response to the order, and in point of fact the affirmation
20 concludes that. We can state for the record that the IT
21 Corporation proposal has been submitted to the NRC on behalf
22 of Safety Light and that Safety Light has the intention, as
23 expressed at this conference to implement the plan as proposed
24 by IT Corporation.

25 (Pause)

1 MR. KNAPP: I think ^{That is it.} from my viewpoint, ~~excuse me,~~
2 Mr. Martin.

3 MR. MARTIN: There's one ^{other} issue I need to understand.
4 With regard to Safety Light, it is my understanding that you
5 continue to accumulate materials at the site without any
6 outlook for those materials being removed from the site,
7 specifically some tritium contaminated material.

8 MR. MILLER: That is incorrect. We do have a
9 radiological waste disposal program that is continuing with
10 all the different products coming back, waste generated from
11 the process as well as ^{right on} down to paper waste. We have made
12 shipments in 1988 and we will continue to do it. We are not
13 nearly above our specified possession limit of waste.

14 MR. MARTIN: You see no problem in continuing
15 maintaining the status quo? There's not ^{an} accumulation going on
16 here?

17 MR. MILLER: We do not intend to, even if there was
18 not a specified limit in the license. We will dispose of
19 radioactive waste.

20 MR. KNAPP: May I ask where you're shipping ^{your} waste at
21 this time?

22 MR. MILLER: We are using U.S. Ecology. We have
23 permits at Washington. I think we're applying and ^{we're} talking to,
24 my radiation safety officer is talking to ^o Nevada. We've
25 talked about South Carolina, but I'm not sure.

1 MR. KNAPP: To the best of your knowledge all the
2 radioactive wastes you have on hand are acceptable for
3 disposal in the state of Washington? Is that a fair
4 statement?

5 MR. MILLER: Yes. We have no indication that, using
6 the proper techniques that are specified in our permit license
7 and the transportation techniques, I don't see a problem.

8 MR. COSTELLO: The wastes ^{you've} ~~we've~~ had the greatest
9 difficulty disposing of recently has ^{ve} been the foils ^{the tritium on foils.} Can you
10 talk a little bit about your plan, and that's 90 percent of
11 your waste or maybe a little more, is in the form of tritium ^{ated}
12 foils. Can you talk a little bit ~~can~~ ^{what} about your plans ^{are} to
13 dispose of the tritium ^{ated} foils you have now?

14 MR. MILLER: The foils we have now we discussed for
15 a tremendous amount of time doing it in Nevada. The packaging
16 requirements pertinent to, or excuse me, the state of
17 Washington, seemed to be more cumbersome and expensive than
18 what we are hearing from the Nevada site. So our radiation
19 safety officer, I can't give you an exact date, a month or two
20 months ago, or maybe three months ago now, has written to the
21 state of Nevada. We have received some documentation back
22 that indicates that there is a better method by using that
23 site, so we're filing for a permit to use ^{it.} ~~that site.~~

24 MR. GUTIERREZ: Before you close, I just did want to
25 emphasize ^o throughout this meeting there's been a number of

1 representations, particularly in Mr. McElvenny's discussions
 2 but also by others with respect to characterizing Safety
 3 Light's conduct as a licensee throughout the past decade,
 4 characterizing USR Industries as not a licensee,
 5 characterizing certain impressions that Mr. Joyner may or may
 6 not have made to certain people subsequent to the issuance of
 7 the order, characterizing NRC's views on Safety Light as a
 8 licensee, and the Commission records that Safety Light has
 9 created. I just wanted to emphasize to each of you that I
 10 don't want you to construe the silence on the part of the
 11 people on this side of the table to be that we concur in your
 12 views. It wasn't the purpose here to take on each factual
 13 representation that you make, but rather to understand from
 14 your perspective how you see the issues. I just wanted to
 15 leave you with that impression.

16 MR. KNAPP: Does anyone from NRC have any additional
 17 comments ^{we'd like} ~~you want~~ to make at this time, recognizing that we
 18 will rejoin in 45 minutes or so?

19 (No response)

20 MR. KNAPP: Anyone from Safety Light, ^{or any others,} USR, ITC?

21 (No response)

22 MR. KNAPP: Then what I would like to do is take a
 23 recess and try to rejoin hopefully shortly before 2:45 I hope.
 24 I believe what we will plan to do, if I'm correct, is to meet
 25 in the executive conference room, ^{I think that's the intent.} Am I correct?

1 MR. GUTIERREZ: Yes.

2 MR. KNAPP: That's on the second floor. I presume
3 you'll want to try to grab some lunch.

4 Off the record.

5 (Whereupon, at 1:55 p.m. the hearing was recessed,
6 to reconvene at 2:45 p.m. this same day, Thursday, July 6,
7 1989.

AFTERNOON SESSION

2:45 p.m.

1
2
3 MR. RUSSELL: This is a continuation of the
4 enforcement conference of NRC Region I with Safety Light
5 Corporation and USR Industries and their subsidiaries.

6 The issues that have been discussed relate to
7 apparent failures to comply with the terms and conditions of
8 the order when it was issued by NRC to those firms.

9 Before this meeting I have been briefed by the staff
10 regarding this morning's meeting and would like to inquire as
11 to whether either Mr. Miller or Mr. McElvenny have any
12 additional comments they wish to present to me at this time
13 regarding this morning's meeting or anything you've thought
14 about over lunch.

15 MR. MILLER: I have no comments.

16 MR. RUSSELL: Let me quickly summarize then what I
17 understand the issues are.

18 As it relates to the actions of Safety Light in
19 physically securing the area, appropriately marking areas
20 which could be contaminated, and in providing training for
21 both radiological workers and others who are not radiological
22 workers, that response appears adequate at this point subject
23 to further inspection and follow up by the staff. That, of
24 course, will be done.

25 The principal area of the order addressed an issue

1 which has been in the NRC's view a continuing issue that for
2 some number of years it has been required that the facility be
3 in a process of decontamination; that some initial
4 characterization was done. I believe it's fair that there has
5 been discussion back and forth between the licensee and the
6 NRC through the inspection process and others, and we were
7 aware that that had not been proceeding as planned. There are
8 other issues that relate. That's the fundamental reason for
9 documenting in an order the explicit requirements we expected
10 to be implemented.

11 As it relates to characterization of the site and
12 the submission of a characterization plan, we have found that
13 the characterization plan as submitted is deficient. We have
14 identified the areas of deficiency in that plan in
15 correspondence. It does not appear to be a dispute at this
16 point as to what NRC expected and what would be required. It
17 appears to focus more on the ability of Safety Light and USR
18 Industries to fund such a site characterization.

19 Issues related to accumulation of waste under the
20 current Safety Light license authorizing the distribution of
21 devices containing tritium and other activities authorized
22 under their license, it appears that you have committed today
23 that you have expectation that you can properly dispose of
24 such wastes as they are generated. We will be continuing to
25 follow that. At the present time you appear to be within the

1 terms and conditions of the license as it relates to the
2 amount of tritium in waste form.

3 However, we are quite concerned that the
4 characterization plan and other terms and conditions of the
5 order have not been met. We conclude at this point in time
6 that you are not in conformance with the order of the NRC and
7 that we will be evaluating what actions to take as a matter of
8 enforcement over the next several days.

9 The specific actions ^{that} we will be taking and the
10 severity of those actions will ^{be} depend ^{ant} upon actions ^{which} ~~that~~ you
11 implement in the near term to bring yourself into compliance
12 with that order.

13 Let me remind you that your current license to
14 distribute and utilize special nuclear material is in a status
15 of what is called timely renewal application. We must make a
16 finding that you are in compliance with the terms and
17 conditions, rules and regulations, and in this case also the
18 order. It appears that you are not, and that raises questions
19 in my mind as to whether current activities should be
20 permitted to be continued.

21 Let me also emphasize that the first step in
22 determining the appropriate clean up and/or stabilization
23 activity that's necessary and the time for a clean up or
24 decontamination is critically dependent upon the quality of a
25 site characterization study. It is somewhat speculative as to

1 what has to be done and what it costs to clean up a facility
2 until it's been adequately characterized.

3 We also feel that^{that} is not only in the company's
4 interest, but in the interest of the insurance companies who
5 may be represented in this meeting. ^{In that} An adequate
6 characterization identifies clearly what isotopes are
7 involved, and given the isotopes that are identified and the
8 extent of contamination cleanup, that can be clearly
9 identified to particular licenses and periods of time of
10 activity, such that you are very able through an adequate
11 characterization to establish responsibility for cleanup.

12 We would encourage that you continue to have
13 discussions and that you take action as ^{promptly} ~~soon~~ as possible to
14 come into compliance with the terms and conditions of the
15 order.

16 We were expecting, as is in most cases for
17 enforcement conferences, where there is some question as to
18 what is expected, that at an enforcement conference there is a
19 complete description as to what are the corrective actions to
20 be taken by the licensee to effect compliance with the
21 Commission's rules and regulations and orders.

22 What's principally been heard today is a situation
23 where you characterized that you thought the characterization
24 plan that was submitted was a draft plan or a point of
25 departure to negotiate. The Nuclear Regulatory Commission

1 does not negotiate its orders. The orders were very specific
2 as to what was expected. We feel that the firm understood
3 that and has not complied with the terms and conditions of
4 that order.

5 I believe that's a summary at least as I understand
6 it, as has been explained by the staff. I will clearly be
7 reviewing the transcript of this meeting. We will provide you
8 a copy of that transcript when it is available. We will be
9 apprising you as to what action we will be taking.

10 Do you have any questions at this time?

11 MR. NUCCIARONE: I have a question simply for the
12 purpose of clarification in my own mind. I'm Pat Nucciarone
13 and I'm from the law firm of Hannotch Weisman which is here
14 representing USR Industries.

15 The plan that we did submit in response to the order
16 was, in our minds at least, an effort to carve out certain
17 aspects of what we felt to be NRC's concerns and address those
18 concerns. Just for the purpose of clarification, I was led to
19 believe this morning that perhaps with some interaction
20 between the NRC staff and us and our consultants ^{on the other hand} that as an
21 initial preliminary first step that we might be able to
22 progress towards completion of that plan.

23 Again, for the purpose of clarification do I
24 understand your comments to ^{absolutely} ~~totally~~ foreclose any continued
25 discussion about implementing the plan that, with modification

1 to it, that we have submitted?

2 MR. RUSSELL: No it does not. I am encouraging you
3 to review that plan and review the correspondence and the
4 discussion we've had that identifies areas ^{which} ~~that~~ are deficient.
5 To the extent you propose to implement it in a phased manner
6 or start on it, that would show a good faith effort ^{on} ~~to~~ your
7 part to attempt to comply with the terms and conditions of the
8 order. So I don't foreclose that issue and I would encourage
9 you to as quickly as possible comply with the terms and
10 conditions of the order and submit a plan for review which is
11 responsive to the areas identified as deficient. For those
12 areas for which there is agreement, I would encourage you to
13 start implementing those portions of the plan.

14 MR. NUCCIARONE: Fine.

15 Just one more point. I do not say this for the
16 purpose of taking issue with NRC's comments, but it is the
17 view of our consultants at least that there is some
18 misunderstanding regarding some technical aspects of the plan.
19 Our hope today, and I make this offer on behalf of the
20 companies, was that we could sit down with some staff of NRC
21 just to resolve what appears to be some misperceptions ^{about} ~~of~~ the
22 technical aspects of the study. I can't speak to those issues
23 because I'm not a technical person, I'm a lawyer. But I think
24 on behalf of the companies I'd like to request an opportunity
25 to at least dispel any questions that exist about the

1 technical aspects of the study.

2 MR. RUSSELL: To the extent that there is more to
3 the plan than is described in the five or six pages of
4 technical content in the proposal that would address some of
5 the issues raised in our letter back to you, I think such a
6 dialogue will be appropriate, if there is more there^{that} we are
7 just not aware of. That can be conducted later today or can be
8 ^{Conducted} tomorrow or at a time when you are prepared^{to meet} with the technical
9 staff to describe that. I think^{that} that would be a move in the
10 right direction and ~~I~~ would encourage it.

11 The staff believes^{that} the letter that we sent to you
12 which described the deficiencies in the plan and the ways in
13 which we felt it did not conform to an adequate site
14 characterization was sufficiently clear. If that's not
15 completely clear, we'll certainly be willing to meet to
16 describe what our expectation is and if there is more in the
17 plan than is apparent from a review of the proposal we'll be
18 pleased to understand that and you can certainly supplement
19 the plan.

20 In my view it's very important to understand what
21 might be potential mechanisms for sub-surface transport in
22 ground water, the potential for the problems becoming worse as
23 ^{has been} ~~was~~ identified in our letter.

24 The staff is prepared to do that. That can be done
25 in a technical meeting rather than in an enforcement

1 conference. I would encourage that and that would clearly
2 influence what action the staff may be taking.

3 MR. NUCCIARONE: That's all I have.

4 MR. RUSSELL: Any other questions as to where we are
5 at this point in time?

6 MR. MILLER: No.

7 MR. RUSSELL: Does the staff have any comments or
8 questions?

9 (No response)

10 MR. RUSSELL: With that, that concludes the
11 enforcement conference. Thank you very much.

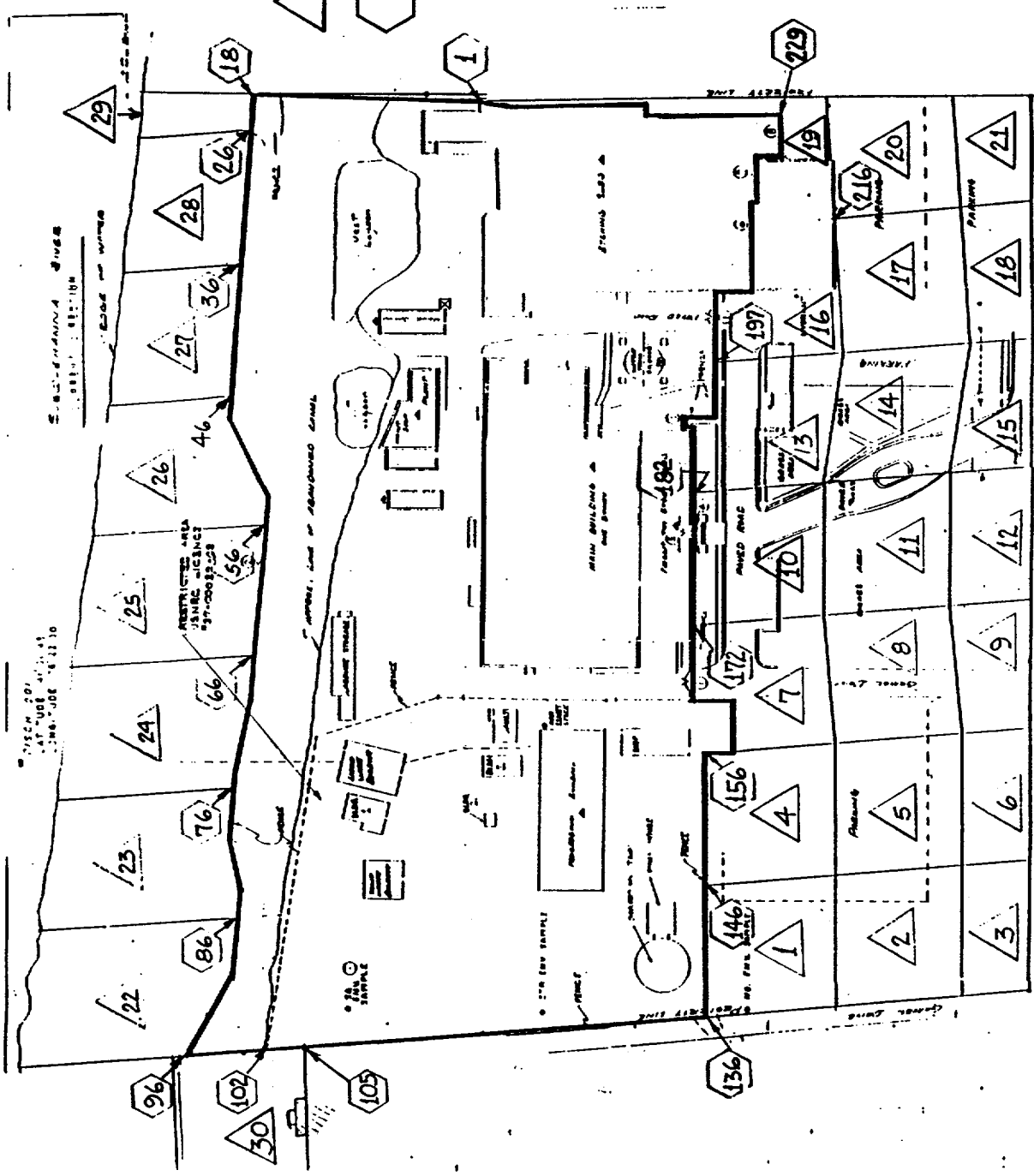
12 Thank you.

13 (Whereupon, at 3:30 p.m. the conference was
14 adjourned.)

1. NAME OF THE FACILITY
 2. LOCATION
 3. DATE
 4. DRAWN BY
 5. CHECKED BY
 6. APPROVED BY
 7. TITLE
 8. SCALE
 9. SHEET NO. OF TOTAL SHEETS
 10. SHEET TOTAL NO.

△ = QUADRENT NO'S
 ○ = POST NO.S

□ = WALL LIGHTS AND WINDOW
 ○ = TELEPHONE EQUIPMENT



SAFETY LIGHT SCHEME	
1	SAFETY LIGHT SCHEME
2	SAFETY LIGHT SCHEME
3	SAFETY LIGHT SCHEME
4	SAFETY LIGHT SCHEME
5	SAFETY LIGHT SCHEME
6	SAFETY LIGHT SCHEME
7	SAFETY LIGHT SCHEME
8	SAFETY LIGHT SCHEME
9	SAFETY LIGHT SCHEME
10	SAFETY LIGHT SCHEME
11	SAFETY LIGHT SCHEME
12	SAFETY LIGHT SCHEME
13	SAFETY LIGHT SCHEME
14	SAFETY LIGHT SCHEME
15	SAFETY LIGHT SCHEME
16	SAFETY LIGHT SCHEME
17	SAFETY LIGHT SCHEME
18	SAFETY LIGHT SCHEME
19	SAFETY LIGHT SCHEME
20	SAFETY LIGHT SCHEME
21	SAFETY LIGHT SCHEME

Scale: 1:1000

μR/hr @ 1 METER MEASUREMENTS

SITE: SAFETY LIGHT CORP.

PROBE TYPE: INTERNAL-NA I

DATE: 7/1/89

METER BKGD: 9 μR/hr.

NAME: N.G. FRITZ, C. BERLIN

METER NUMBER: LUDLUM M19, S/N 66607

QUADRENT	N.E.	N.W.	S.E.	S.W.	MAX.	REMARKS
1	2	4	2	3	6	
2	4	3	2	4	5	
3	2	3	4	3	4	
4	4	3	3	17	21	
5	3	3	4	3	6	
6	3	4	3	3	5	
7	3	5	17	9	35	
8	3	5	3	5	8	
9	4	6	3	5	7	
10	5	5	9	7	39	
11	5	4	5	4	21	
12	6	2	5	4	17	
13	4	5	7	8	13	
14	4	7	4	5	7	
15	2	2	4	7	7	
16	5	8	8	2	14	
17	7	7	5	8	21	
18	2	3	7	7	25	

REMARKS: Areas outside restricted area fence quadrants 100' X 100'

µR/hr @ 1 METER MEASUREMENTS

SITE: SAFETY LIGHT CORP.

PROBE TYPE: INTERNAL-NA I

DATE: 7/1/89

METER BKGD: 9 µR/hr.

NAME: N.G. FRITZ, C. BERLIN

METER NUMBER: LUDLUM M19, S/N 66607

QUADRENT	N.E.	N.W.	S.E.	S.W.	MAX.	REMARKS
19	8	5	2	3	23	
20	7	13	8	5	35	
21	3	4	7	13	25	
22	7	7	1	2	39	
23	7	8	2	3	8	
24	8	17	3	2	61	
25	17	4.5	2	1	17	
26	4.5	66	1	2	66	
27	66	16	2	91	186	
28	16	2.5	91	1	91	
29	2.5	2	1	0	5	
30	3	21	4	13	21	VANCE/WALTON PROPERTY

REMARKS: _____

SURFACE AND 1 METER MEASUREMENTS

SITE: SAFETY LIGHT CORP.

PROBE TYPE: INTERNAL-NAI

DATE: 6/27/89

PROBE NUMBER: _____

NAME: N.G. FRITZ

METER NUMBER: LU DLUM M19 S/N 66607

LOCATION (GRID POINT)	SURFACE CONTRATE μR/hr	1 m COUNTRATE μR/hr	REMARKS
POST NO. 1	10.5	7.5	S.W. CORNER ETCHING BLDG.
2	6	7.5	
3	6	7.5	
4	7.5	7.5	
5	7	7	
6	7	7	
7	7	9	
8	14	25	
9	5.5	7.5	
10	6	7.5	
11	5.5	6.5	
12	5	4	
13	3	3	
14	3.5	2.5	
15	2.5	2.5	
16	4	4	

REMARKS: Survey begins @ Post No. 1, S.W. Corner of Etching Building and
ends @ Post 102, beginning of tritium fenced compound. Survey
3' dia. semi-circle outside fence @ each post. Further survey begins
@ Post No. 103 and continues to include some building perimeters which
are at 10' intervals and numbered in sequence with posts.

SURFACE AND 1 METER MEASUREMENTS

SITE: SAFETY LIGHT CORP.
NEW FENCE PERIMETER
 DATE: 6/27/89
 NAME: N.G. FRITZ

PROBE TYPE: INTERNAL-NAI
 PROBE NUMBER: _____
 METER NUMBER: LUDLUM M19, S/N 66607

LOCATION (GRID POINT)	SURFACE CONTRATE μR/hr	1 m COUNTRATE μR/hr	REMARKS
POST NO. 17	4.5	3.5	
18	3	2	S.W. FENCE CORNER
19	3.5	3	
20	3.5	3	
21	2.5	2	
22	1	1	
23	2.5	2.5	
24	3.5	3.5	
25	2.5	2.5	
26	2.5	2.5	
27	2.5	2.5	
28	3.5	3	
29	3	3	
30	14	11	
21	5	4	
32	3	4	

REMARKS: _____

SURFACE AND 1 METER MEASUREMENTS

SITE: SIC NEW FENCE PERIMETER

PROBE TYPE: INTERNAL-NAI

DATE: 6/27/89

PROBE NUMBER: _____

NAME: N.G. FRITZ

METER NUMBER: LUCLUM M19. S/N 66607

LOCATION (GRID POINT)	SURFACE CONTRATE μR/hr	1 m COUNTRATE μR/hr	REMARKS
POST NO. 33	6	6	
34	7	6	
35	8	8	
36	18	16	
37	56	56	
38	171	126	
29	171	81	
40	291	171	
41	111	71	
42	61	51	
43	61	56	
44	66	56	
45	71	61	
46	71	66	
47	86	76	
48	71	61	

REMARKS: _____

SURFACE AND 1 METER MEASUREMENTS

SITE: SLC NEW FENCE PERIMETER
 DATE: 6/27/89
 NAME: N.G. FRITZ

PROBE TYPE: INTERNAL-NAI
 PROBE NUMBER: _____
 METER NUMBER: LUIDLUM M19, S/N 66607

LOCATION GRID POINT	SURFACE CONTRATE μR/hr	1 m COUNTRATE μR/hr	REMARKS
POST NO. 49	35	27	
50	13	14	
51	14	16	
52	13	12	
53	10	8	
54	8	7	
55	7	5	
56	5	4.5	
57	4	3.5	SOUTH GATE
58	4	3.5	SOUTH GATE
59	4.5	4	
60	4	5	
61	6	5	
62	7	6	
63	7	6	
64	7	7	

REMARKS: _____

SURFACE AND 1 METER MEASUREMENTS

SITE: SLC NEW FENCE PERIMETER

PROBE TYPE: INTERNAL-NAI

DATE: 6/27/89

PROBE NUMBER: _____

NAME: N.G. FRITZ

METER NUMBER: LUDDLUM M19, S/N 66607

LOCATION GRID POINT	SURFACE CONTRATE uR/hr	1 m COUNTRATE uR/hr	REMARKS
POST NO. 65	6	7	
66	8	17	
67	38	38	
68	25	28	
69	16	14	
70	8	8.5	
71	11	16	
72	16	16	
73	12	16	
74	19	20	
75	10	14	
76	8	8	
77	6.5	8	
78	10	11	
79	7	9	
80	41	21	

REMARKS: _____

SURFACE AND 1 METER MEASUREMENTS

SITE: SLC NEW FENCE PERIMETER
 DATE: 6/27/89
 NAME: N.G. FRITZ

PROBE TYPE: INTERNAL-NAI
 PROBE NUMBER: _____
 METER NUMBER: LUDLUM M19, S/N 66607

LOCATION (GRID POINT)	SURFACE CONTRATE $\mu\text{R/hr}$	1 m COUNTRATE $\mu\text{R/hr}$	REMARKS
POST NO. 81	21	16	
82	5	6	
83	6	6	
84	5	5	
85	8	8	
86	8	7	
87	9	8	
88	8	10	
89	11	8	
90	8.5	8.5	
91	11	11	
92	8	8	
93	51	31	
94	56	36	
95	7	15	
96	6	7	S.E. FENCE CORNER

REMARKS: _____

SURFACE AND 1 METER MEASUREMENTS

SITE: SLC NEW FENCE PERIMETER

PROBE TYPE: INTERNAL-NAI

DATE: 6/27/89

PROBE NUMBER: _____

NAME: N.G. FRITZ

METER NUMBER: LUDLUM M19, S/N 66607

LOCATION GRID POINT	SURFACE CONTRATE uR/hr	1 m COUNTRATE uR/hr	REMARKS
POST NO. 97	15	8	
98	5	5	
99	5	4	
100	4	4	
101	3	3	
102	2	2	1st POST-TRITIUM FENCED COMPOUND
103	9	13	
104	7	11	
105	18	21	
106	9	13	
107	4	5	
108	5	7	
109	6	6	
110	7	9	
111	7	9	
112	8	8	

REMARKS: _____

SURFACE AND 1 METER MEASUREMENTS

SITE: SLC NEW FENCE PERIMETER

PROBE TYPE: INTERNAL-NAI

DATE: 6/27/89

PROBE NUMBER: _____

NAME: N.G. FRITZ

METER NUMBER: LUDLUM M19, S/N 66607

LOCATION (GRID POINT)	SURFACE CONTRATE μR/hr	1 m COUNTRATE μR/hr	REMARKS
POST NO. 113	6	7	
114	7	8	
115	6	8	
116	5	7	
117	4	6	
118	4	4	
119	2	5	
120	5	5	
121	4	4	
122	5	6	
123	5	6	
124	5	5	
125	3	5	
126	2	4	
127	4	5	
128	4	4	

REMARKS: _____

SURFACE AND 1 METER MEASUREMENTS

SITE: SLC NEW FENCE PERIMETER
 DATE: 6/27/89
 NAME: N.G. FRITZ

PROBE TYPE: INTERNAL-NAI
 PROBE NUMBER: _____
 METER NUMBER: LUDLUM M19, S/N 66607

LOCATION GRID POINT	SURFACE CONTRATE μR/hr	1 m COUNTRATE μR/hr	REMARKS
POST NO. 129	2	3	
130	1	2	
131	2	5	
132	3	3	
133	6	5	
134	3	4	
135	3	4	
136	0	2	N.E. CORNER SLC RESTRICTED AREA "T"
137	0	4	
139	0	2	
140	0	2	
141	0	2	
142	0	2	
143	2	2	
144	5	4	
145	0	2	

REMARKS: _____

SURFACE AND 1 METER MEASUREMENTS

SITE: SLC NEW FENCE PERIMETER

PROBE TYPE: INTERNAL-NAI

DATE: 6/27/89

PROBE NUMBER: _____

NAME: N.G. FRITZ

METER NUMBER: LUDLUM M19, S/N 66607

LOCATION GRID POINT	SURFACE CONTRATE uR/hr	1 m COUNTRATE uR/hr	REMARKS
POST NO. 146	1	3	
147	2	4	
148	3	6	
149	4	5	
150	3	5	
151	5	6	
152	6	9	
153	13	16	
154	9	13	
155	11	12	
156	15	17	INSIDE CORNER AT PLASTIC MACHINE SHOP
157	7	13	
158	5	8	OUTSIDE CORNER AT PLASTIC MACHINE SHOP
159	5	6	
160	5	7	
161	4	7	

REMARKS: _____

SURFACE AND 1 METER MEASUREMENTS

SITE: SLC NEW FENCE PERIMETER
 DATE: 6/27/89
 NAME: N.G. FRITZ

PROBE TYPE: INTERNAL-NAI
 PROBE NUMBER: _____
 METER NUMBER: LUDDLUM M19, S/N 66607

LOCATION (GRID POINT)	SURFACE CONTRATE μR/hr	1 m COUNTRATE μR/hr	REMARKS
POST NO. 162	3	5	OUTSIDE CORNER AT EAST DRIVEWAY
163	5	5	
164	4	7	
165	5	7	6" DIAMETER POST
166	5	7	EAST POST. EAST DOUBLE GATE
167	5	6	CENTER POSTS EAST GATE
168	14	16	
LOCATION 169	12	13	
170	38	35	N.E. CORNER OF MAIN BUILDING
171	9	14	10' DISTANCE, FRONT (N) WALL, MAIN BLDG.
172	8	9	" " "
173	8	9	
174	7	9	
175	5	19	
176	8	9	
177	8	11	

REMARKS: _____

SURFACE AND 1 METER MEASUREMENTS

SITE: SLC NEW FENCE PERIMETER

PROBE TYPE: INTERNAL-NAI

DATE: 6/27/89

PROBE NUMBER: _____

NAME: N.G. FRITZ

METER NUMBER: LUDLUM M19, S/N 66607

LOCATION GRID POINT	SURFACE CONTRATE $\mu\text{R/hr}$	1 m COUNTRATE $\mu\text{R/hr}$	REMARKS
LOCATION 178	8	8	10' DIATANCE, FRONT (N) WALL (MAIN DOUBLE DOORS)
179	8	11	
180	8	11	
181	7	9	
182	5	7	
183	5	9	
184	8	12	
185	6	8	
186	10	10	N.W. CORNER MAIN BUILDING
POST NO.187	25	16	POST AT WEST MAIN BLDG. DOOR
188	31	20	IRON FENCE MEMBER - 10'
189	25	14	CORNER POST IRON FENCE
190	7	9	IRON FENCE MEMBER - 10'
191	7	9	" " "
192	9	13	CORNER POST AT BRICK PILLAR
193	8	11	GALVANIZED POST NEW FENCE

REMARKS: _____

SURFACE AND 1 METER MEASUREMENTS

SITE: SLC NEW FENCE PERIMETER
 DATE: 6/27/89
 NAME: N.G. FRITZ

PROBE TYPE: INTERNAL-NAI
 PROBE NUMBER: _____
 METER NUMBER: LUDDLUM M19, S/N 66607

LOCATION (GRID POINT)	SURFACE CONCENTRATION μR/hr	1 m COUNTRATE μR/hr	REMARKS
POST NO. 194	8	8	GALVANIZED POST NEW FENCE
195	9	9	" "
196	7	6	" "
197	8	8	" "
198	4	7	EAST POST, WEST DOUBLE GATE
199	1	3	CENTER POST, WEST DOUBLE GATE
200	6	6	WEST POST, WEST DOUBLE GATE
201	5	6	
202	5	6	LAST POST. AT ETCHING BLDG. WALL
LOCATION 203	4	5	10' ON EAST ETCHING BLDG. WALL
204	3	4	" " "
205	1	1	" " "
206	0	0	" " "
207	0	0	AT BUTLER BLDG. DOUBLE DOORS
208	0	1	10' ON EAST ETCHING BLDG. WALL
209	1	0	" " "

REMARKS: _____

SURFACE AND 1 METER MEASUREMENTS

SITE: SLC NEW FENCE PERIMETER

PROBE TYPE: INTERNAL-NAI

DATE: 6/27/89

PROBE NUMBER: _____

NAME: N.G. FRITZ

METER NUMBER: LUDLUM M19, S/N 66607

LOCATION (GRID POINT)	SURFACE CONTRATE $\mu R/hr$	1 m COUNTRATE $\mu R/hr$	REMARKS
LOCATION 210	0	1	10' ON EAST ETCHING BLDG. WALL
211	2	2	1st LOCATION ETCH. BLDG. NORTH WALL
212	2	2	10' ON ETCHING BLDG. NORTH WALL
213	0	0	" " "
214	0	2	" " "
215	2	2	" " "
216	0	2	" " "
217	0	2	" " " (AT NORTH DOUBLE DOORS)
218	0	0	" " "
219	2	3	" " "
220	2	2	
221	1	2	1st LOCATION, ETCH. BLDG. W. WALL
222	2	3	10' ON ETCHING BLDG. WEST WALL
223	0	0	" " "
224	2	3	" " " (WEST DOOR)
225	2	4	3' X 20' SLOT BETWEEN BLDGS.

REMARKS: _____

