



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

November 18, 2005

EA-03-219

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

SUBJECT: NOTICE OF VIOLATION ISSUED PER ATOMIC SAFETY AND LICENSING BOARD APPROVED SETTLEMENT AGREEMENT (Safety Light Corporation, Bloomsburg Site)

Dear Mr. White:

This letter refers to a Notice of Violation that you agreed to accept as part of the terms of a settlement agreement approved by the NRC Atomic Safety and Licensing Board (ASLB). The Memorandum and Order (LBP-05-14), dated June 29, 2005, approved the settlement agreement reached between the Safety Light Corporation (SLC), the Pennsylvania Department of Environmental Protection, and the Nuclear Regulatory Commission (NRC) regarding the matters at issue between the parties related to license renewal. In a memorandum, dated September 12, 2005, the Commission informed all parties that the Commission declined review of the ASLB decision, and accordingly, the decision became a final agency action on August 8, 2005.

As part of the approved settlement agreement, SLC agreed to accept a Notice of Violation for failures characterized as a Severity Level III Problem involving: (1) the willful failure to make payments to the decommissioning trust fund in accordance with the schedules defined in License Condition 16 of License No. 37-00030-02 and License Condition 20.A of License No. 37-00030-08; and (2) the failure to dispose of pre-2000 tritium wastes in accordance with License Condition 19 of License No. 37-00030-08. As agreed within the settlement agreement, no civil penalty will be issued for this cited Notice of Violation and no SLC response is required. The NRC staff acknowledges per that agreement, SLC's position, that SLC was not able to make the required payments. SLC's position, however, does not change the fact that the cited violation of License Conditions 16 and 20.A occurred.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. The NRC also includes significant

C. R. White

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enforcement actions on its Web site at www.nrc.gov; select **What We Do, Enforcement**, then **Significant Enforcement Actions**.

If you have any questions regarding this matter, please contact Mr. George Pangburn of my staff. Mr. Pangburn can be reached at (610) 337-5281

Sincerely,

/RA/

Samuel J. Collins,
Regional Administrator

Docket Nos: 03005980
03003982

License Nos: 37-00030-02
37-00030-08

Enclosure: Notice of Violation

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Commonwealth of Pennsylvania

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Enclosure

NOTICE OF VIOLATION

Safety Light Corporation
Bloomsburg, PA 17815

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

On June 29, 2005, the Atomic Safety and Licensing Board (ASLB) issued a Memorandum and Order Approving Settlement and Terminating Proceeding (LBP-05-14) regarding the Safety Light Corporation's application for renewal, and the NRC staff denial of the license renewal. In a memorandum, dated September 12, 2005, the Commission declined to review this ASLB decision, and accordingly, the ASLB decision became a final agency action on August 8, 2005. Item 8 of the settlement agreement indicated that Safety Light Corporation agreed to accept a Notice of Violation for its failure to comply with certain license conditions, as described below:

- A. Condition 16 of Amendment No. 51 of License No. 37-00030-02 and Condition 20 of Amendment No. 13 for License 37-00030-08, exempted the licensee from the provisions of 10 CFR 30.32(h) and 30.35(a) through 30.35(f), provided that the licensee make specific monthly deposits into a decommissioning trust fund as described in the licensee's letter dated August 3, 1999. This condition specified, in part, deposits of \$7,000 monthly during the year 2000, \$8,000 monthly beginning January 1, 2000, for 24 months, and \$9,000 monthly from January 1, 2003, through December 2004. The financial assurance exemption was valid until the December 31, 2004, date of license expiration, or the date of any failure to comply with this license condition. Money deposited into the trust fund was to be used for limited site remediation projects.

Contrary to the above, deposits were not made by the licensee as required by its License Conditions Nos. 16 and 20. Specifically, the licensee failed to deposit \$8,000 in accordance with the prescribed schedule on May 1, 2001, and three additional deposits of \$8,000 each month were not made in accordance with the prescribed schedule between June 2001 and February 2002, even though all arrears payments were made by February 3, 2003. Subsequently, the licensee failed to deposit \$9,000 in accordance with the prescribed schedule for nine of eleven monthly deposits of \$9,000 each during the period from January 2003 through November 2003. Arrears payments of \$4,500 each were made with two required \$9,000 payments on December 12, 2003 and February 2, 2004. However, the failure to make the prescribed deposits resulted in a total deficit of \$72,000 (plus interest) to the decommissioning trust fund as of March 31, 2004. On December 29, 2004, the licensee deposited all of the arrears payments required by the referenced License Conditions.

- B. Condition 19 of Amendment 14 of License No. 37-00030-08 required, in part, that radioactive waste generated from activities performed prior to January 1, 2000, shall be disposed of or otherwise removed from the site by December 31, 2004.

Contrary to the above, the licensee did not dispose or otherwise remove from the site by December 31, 2004, radioactive waste generated from activities performed prior to January 1, 2000, authorized under License No. 37-00030-08.

These violations constitute a Severity Level III Problem (Supplement VI).

In accordance with the settlement agreement approved by the Atomic Safety and Licensing Board in LBP-05-14, dated June 29, 2005 (ML0518004760), no response to this Notice is

required. However, if you choose to respond, clearly mark your response as a "Reply to a Notice of Violation, EA-03-219" and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555 with a copy to the Regional Administrator, Region I, within 30 days of the date of the letter transmitting this Notice of Violation (Notice).

Because any response will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS), to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room). If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information).

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days.

Dated this 18th day of November 2005.