



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

April 6, 2006

Docket No. 03031956
EA No. 06-026

License No. 37-28586-01

Christopher Bland
Manager, Health & Environmental Safety
Epsilon Products Company
P. O. Box 432
Marcus Hook, PA 19061

SUBJECT: INSPECTION 03031956/2005002, EPSILON PRODUCTS COMPANY

Dear Mr. Bland:

This refers to the Predecisional Enforcement Conference held on March 15, 2006, with representatives of Epsilon Products Company. The Conference was held to discuss the apparent violations described in NRC Inspection Report No. 030-31956/2005002 (ML060600180). A summary of the Conference is attached.

The NRC is reviewing the information that you and your colleagues provided during the Conference and you will be notified of the Enforcement Action upon completion of the review.

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>.

Your cooperation with us is appreciated.

Sincerely,

Original signed by Sattar Lodhi, Ph.D.

John D. Kinneman, Chief
Materials Security and Industrial Branch
Division of Nuclear Materials Safety

Enclosure:
Enforcement Conference Summary Report No. 03031956/2006-001

cc:
David Kurland, Senior Counsel

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SISP Review Complete: SLodhi

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U.S. NUCLEAR REGULATORY COMMISSION
REGION I

ENFORCEMENT CONFERENCE SUMMARY

Report No. 03031956/2006001
Docket No. 03031956
License No. 37-28586-01
Licensee: Epsilon Products Company
P. O. Box 432
Marcus Hook, Pennsylvania 19061
Facility Name: Epsilon Products Company
Conference Date and Time: March 15, 2006 at 10 :00 a.m.
Conference Location: NRC Region I, King of Prussia, Pennsylvania

Inspectors:	<i>/RA by Sattar Lodhi Acting For/</i>	3/27/06
	_____ Richard Ladun Health Physicist	_____ date
	<i>/RA/</i>	3/27/06
	_____ Sattar Lodhi, Ph.D. Senior Health Physicist	_____ Date
	<i>/RA/</i>	3/30/06
Approved By:	_____ John D. Kinneman, Chief Materials Security and Industrial Branch Division of Nuclear Materials Safety	_____ date

CONFERENCE SUMMARY

NRC Enforcement Conference Report No. 03031956/2006001

On March 15, 2006, NRC held a Predecisional Enforcement Conference with representatives of Epsilon Products Company. The conference was held in the Region I office located in King of Prussia, Pennsylvania. The conference was held to discuss the apparent violations described in NRC Inspection Report No. 030-31956/2005002. The apparent violations described in the report included a violation that resulted in members of the public receiving a radiation dose in excess of the regulatory limit of 100 millirem in a year. The conference was open to the public, but no member of the public was in attendance.

Mr. George Pangburn, Director of Division of Nuclear Materials Safety, made the opening remarks and briefly described the purpose of the conference. Mr. John Nicholson, Region I Enforcement Specialist, described the enforcement process and the NRC Enforcement Policy. Mr. John Kinneman briefly described the nature of violations, and requested the licensee to respond to each of the violations and provide reasons for any disputed violation(s), and point out any factual error(s) in the inspection report. He also requested the licensee to provide details of the corrective actions that they may have instituted to prevent recurrence of the violations.

Mr. David Kurland, Senior Counsel of the licensee responded by first expressing the licensee's concern for the violations and its commitment to conduct licensed activities in full compliance with regulatory requirements. He also stated that several opportunities were missed for identifying the problems that lead to the failure of the gauge. He acknowledged that personnel performing their assigned tasks observed problems, but did not take actions to correct the problems. He stated that as a result of the event, training has been scheduled for personnel involved in the radiation safety program and their responsibilities have been clearly defined. He acknowledged that the violations did occur, but disagreed with the wording of a few violations. The NRC staff agreed to consider his comments in the final wording of the violations.

Mr. Christopher Bland, Manager of Health & Environmental Safety then described the changes that have been made in the licensee's radiation safety program and provided copies of radiation safety procedure (MA-HES-PRO-402). He also provided written comments on the Inspection Report No. 03031956/2005002. These documents are attached to the report (ML060830356). He stated that they did have operating and emergency procedures, but acknowledged that the procedures did not meet all of the criteria required by Conditions of the license.

Mr. John Nicholson provided closing comments on the enforcement policy and enforcement options available to the NRC.

Mr. Pangburn thanked the licensee's representatives for their attendance and presentations, and adjourned the meeting.

LIST OF PERSONS ATTENDING

Licensee

David Kurland, Senior Counsel

Christopher Bland, Manager of Health & Environmental Safety

Douglas Wallace, Radiation Safety Office - Designate

NRC

George Pangburn, Director, Division of Nuclear Materials Safety

Pamela Henderson, Acting Deputy Director, Division of Nuclear Materials Safety

John Kinneman, Chief, Materials Security and Industrial Branch

Sattar Lodhi, Senior Health Physicist, Materials Security and Industrial Branch

Richard Ladun, Health Physicist, Materials Security and Industrial Branch

Sally Merchant, Office of Enforcement, NRC Headquarters

John Nicholson, Enforcement Specialist, Region I

Karl Farrar, Regional Counsel, Region I

Neil Sheehan, Public Affairs Officer, Region I