

JUN 21 1985

Docket No. 040-07102

License No. SMB-743

Shieldalloy Corporation
ATTN: Mr. F. Kristoff
President
West Boulevard
Newfield, New Jersey 08344

Gentlemen:

Subject: Inspection No. 040-07102/85-01

This refers to the routine safety inspection conducted by Mr. J. McFadden of this office on April 2, 1985 of activities authorized by NRC License No. SMB-743 and to the discussions of our findings held by Mr. McFadden with Mr. O. A. Simkins of your staff at the conclusion of the inspection.

The inspection was an examination of activities conducted under your license as they relate to radiation safety and to compliance with the Commission's rules and regulations and the conditions of your license. The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, measurements made by the inspector, and observations by the inspector.

Our inspector also verified the steps you have taken to correct the violations brought to your attention in the enclosure to our letter dated October 15, 1980. We have no further questions regarding the steps you took to correct items A and C. With regard to item B, this item has recurred.

Based on the results of this inspection, it appears that certain of your activities were not conducted in full compliance with NRC requirements, as set forth in the Notice of Violation, enclosed herewith as Appendix A. These violations have been categorized by severity level in accordance with the revised NRC Enforcement Policy (10 CFR 2, Appendix C) published in the Federal Register Notice (49 FR 8583) dated March 8, 1984. You are required to respond to this letter and in preparing your response, you should follow the instructions in Appendix A.

Item B in the Notice of Violation enclosed with this letter was identified during a previous inspection of your licensed activities on September 26, 1980 and was documented in the enclosure to our letter dated October 15, 1980. Your letter to this office dated October 30, 1980 stated that this problem had been rectified, that air sampling had resumed, and that it would continue at intervals as required by your license or as frequently as ferrocolumbium was produced. From our April 12, 1985 inspection it appears that the stated corrective actions were not effective since this item has recurred. Recurrent and uncorrected violations are given additional weight in the consideration and selection of appropriate enforcement action. Therefore, in your response to

8507030282 850621
REG 1 LIC40
SMB-0743 PDR

COPIAL RECORD COPY

IR SHIELDALLOY 85-01 - 0001.0.0
06/18/85

RETURN ORIGINAL TO
REGION I

1E-07 11

JUN 21 1985

Shieldalloy Corporation

2

this letter, you should give particular attention to those actions taken or planned to ensure that identified items of noncompliance will be completely corrected and will not recur.

We are concerned about the growing volume of waste which is collecting as a result of your activities. We are also concerned that this waste is stored in an uncovered waste pile exposed to the weather. Therefore, in reply to this letter, please provide the following information:

1. Detail your efforts to date and plans for developing an acceptable final disposal method for this waste.
2. Provide a current inventory of waste by location and storage mode.
3. Provide estimates of your future expected waste generation.
4. Describe how you assure that material from the waste piles does not leave your site.

We would like to call to your attention the requirements in 10 CFR 51 (copy enclosed). In accordance with 10 CFR 51.60, you will be required to submit an Environmental Report in support of your application to renew License No. SMB-743. The storage and terminal disposal of these wastes and the final decontamination of these facilities will need to be completely discussed and their impacts assessed in this report. Current policy with regard to decontamination is contained in the enclosed Federal Register Notice (46 FR 52061).

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and your reply will be placed in the Public Document Room.

The responses directed by this letter and the accompanying Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

Your cooperation with us in this matter is appreciated.

Sincerely,

Original Signed By:
Francis M. Costello

John D. Kinneman, Chief
Nuclear Materials Safety Section A,
Division of Radiation Safety
and Safeguards

JUN 21 1985

Shieldalloy Corporation

3

Enclosures:

1. Appendix A, Notice of Violation
2. 10 CFR 51
3. 46 FR 52061-63

cc w/encls:

Public Document Room (PDR)
Nuclear Safety Information Center (NSIC)
State of New Jersey

bcc w/encls:

Region I Docket Room (w/concurrences)
Senior Operations Officer (w/o encl)
J. McFadden, DRSS

FAC
RI:DRSS
McFadden/fi
06/14/85

FAC
RI:DRSS
J. Kinneman
06/17/85

OFFICIAL RECORD COPY

IR SHIELDALLOY 85-01 - 0003.0.0
06/18/85

APPENDIX A
NOTICE OF VIOLATION

Shieldalloy Corporation
Newfield, New Jersey 08344

Docket No. 040-07102
License No. SMB-743

As a result of the inspection conducted on April 2, 1985, and in accordance with the NRC Enforcement Policy (10 CFR 2, Appendix C), the following violations were identified:

Condition 13 of License No. SMB-743 requires that licensed material be possessed and used in accordance with statements, representations and procedures contained in an application dated December 23, 1977, as amended by letters dated June 28, 1979, November 16, 1979, May 27, 1980, and October 30, 1980.

1. Item 2. of Chapter IV and item 1. of Chapter V of the application dated December 23, 1977 require that air surveys in the blending area and furnace area be performed monthly.

Contrary to the above, as of April 2, 1985, air surveys in the blending area had not been performed since September 26, 1980, and air surveys in the furnace area were performed only four times in 1981, once in 1982, once in 1983, once in 1984 and not at all in 1985.

This is a Severity Level IV violation. (Supplement VI)

2. Item 1. of Chapter V of the application dated December 23, 1977 requires that gamma surveys be made in Department 111, in the warehouse, and at the slag dump.

Contrary to the above, as of April 2, 1985, gamma surveys performed on March 15, 1983 and July 12, 1984 did not include Department 111.

This is a Severity Level IV violation. (Supplement VI)

3. Item 1. of Chapter IV of the application dated December 23, 1977 requires that the survey meter be calibrated every 7 months.

Contrary to the above, as of April 2, 1985, the survey meter had not been calibrated since May 19, 1981.

This is a Severity Level IV violation. (Supplement VI)

4. Item b. on page 10 of Chapter III of the (Supplement VI) application dated December 23, 1977 requires that the ore be analyzed for percentages of thorium and uranium at least three times per year.

8507030293 850621
REG1 LIC40
SMB-0743
PDR

OFFICIAL RECORD COPY

IR SHIELDALLOY 85-01 - 0007.0.0
06/10/85

Contrary to the above, as of April 2, 1985, ore had not been analyzed for percentages of thorium and uranium during 1984.

This is a Severity Level IV violation. (Supplement VI)

5. Item 2. of Chapter IV of the application dated December 23, 1977 requires that the air sampler be recalibrated every six months.

Contrary to the above, as of April 2, 1985, the air sampler had not been recalibrated in 1984.

This is a Severity Level IV violation. (Supplement VI)

6. Chapter VII of application dated December 23, 1977 requires that records of instruction to employees be maintained.

Contrary to the above, as of April 2, 1985, records of instruction for C. Munyon, J. Gatto, and V. Joubert were not maintained.

This is a Severity Level V violation. (Supplement VI)

Pursuant to the provisions of 10 CFR 2.201, Shieldalloy Corporation is hereby required to submit to this office within thirty days of the date of the letter which transmitted this Notice, a written statement or explanation in reply, including: (1) the corrective steps which have been taken and the results achieved; (2) corrective steps which will be taken to avoid further violations; and (3) the date when full compliance will be achieved. Where good cause is shown, consideration will be given to extending this response time.