



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

August 18, 1989

MEMORANDUM FOR: Vandy L. Miller, Assistant Director
for State Agreements Program
State, Local and Indian Tribe Programs

FROM: Joel O. Lubenau
Senior Project Manager
State Agreements Program
State, Local and Indian Tribe Programs

John McGrath
State Agreements Officer
Region I

SUBJECT: MEETING WITH MARYLAND

On August 9, 1989 John McGrath, State Agreements Officer, Region I, and Joel Lubenau, Senior Project Manager, SLITP, met with Maryland Department of Environment (MDE) representatives. The purpose of the meeting was to discuss the State's initial responses and its licensing, inspection and enforcement actions for Neutron Products, Inc. (NPI) following the February 1989 contamination incident involving an NPI employee. This incident occurred shortly after the review of the Maryland Program initially performed January 30 through February 17, 1989, and subsequently required extensive staff effort by Maryland and considerable coordination with and technical assistance from NRC. In view of the implications of this case for various Category I aspects of Maryland's Agreement program, e.g., in emergency response, inspection and enforcement and licensing, the review of the Maryland program was continued and the State's actions in handling this incident were factored into the overall review.

Representing MDE were Larry Ward, Deputy to the MDE Assistant Secretary for Toxics, Environmental Science and Health, Roland Fletcher, Administrator, Center for Radiological Health, and Rebecca Laws, MDE staff attorney.

Briefly, the incident was reported to NRC and the State on February 24, 1989. An NPI employee who is a consultant to the Rochester Gas and Electric Company (RG&E) Ginna reactor was discovered by a RG&E routine monitoring to be contaminated with Co-60. Most of the activity was in the form of "hot particles" or confined to small areas of the individual's clothing. Surveys by RG&E and the New York State Department of Health personnel were made of the individual's rental car, motel room and other clothing, and except for some additional articles of clothing, no additional contamination was found. The individual filed a report with NPI the

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following Monday, February 27, 1989 which was faxed by NPI to MDE (Enclosure 1). From the report, it became clear that the contamination was limited to this individual and had occurred at NPI when the individual had entered a contaminated area and then failed to follow NPI contamination survey procedures when he left the area. The individual's home was unoccupied until he returned to it on March 1, 1989. The State surveyed his home that day and found minor levels of contamination.

The incident was a virtual repeat of one that occurred in 1988 which involved the same individual and was discovered in the same manner. As a result of the 1988 incident, a civil penalty of \$5,000 was levied by MDE against NPI. The 1989 incident brought into serious question the effectiveness of NPI's radiation control program and on March 3, 1989 MDE issued an Order to NPI halting operations involving the handling of radioactive materials, except for storage, until an effective health physics program was in place and approved by MDE (Enclosure 2).

On May 23, 1989, MDE issued an amendment to the NPI license which set forth the conditions to be met by NPI to gain authorization to resume operations with licensed materials (Enclosure 3). NPI requested a hearing which commenced on July 18, 1989. NPI subsequently withdrew from the hearing and on July 25, 1989 a Consent Agreement was signed by MDE and NPI which allowed limited resumption of operations (Enclosure 4). Melting of Co-60 was not included in this authorization and requires satisfaction of additional State conditions.

One of the conditions imposed by the State upon NPI was the retention by NPI of a qualified health physics consultant. His reports are routinely furnished to MDE for review. MDE conducts formal inspections of this NPI license quarterly. Residents in the area surrounding the NPI plant have expressed concerns over the safety of the plant. MDE has been responding to requests from residents for radiation surveys of their residences (all have been negative) and has held public meetings nearby to hear community concerns and to inform the community of State actions.

Region I provided MDE technical assistance in the form of onsite inspection efforts in support of MDE at the NPI plant and consultation with MDE on technical and enforcement issues. NRC staff attended the public meetings and the community has expressed its confidence in the State at these meetings. Mr. McGrath testified on behalf of NRC at the hearing. MDE staff have been responsive to NRC recommendations and continues to consult with NRC as appropriate.

MDE representatives appreciated the opportunity to meet with us to review the State's actions in this case. They expressed appreciation for NRC technical support noting that while licensing and other decisions are MDE's, seeking and factoring in NRC staff views help assure that State actions are soundly based. Some concern was expressed by MDE representatives over the multiple numbers of telephone calls received from NRC during the initial phases of the February 1989 incident. MDE normally channels communications to NRC through Region I but found calls coming from NRC Headquarters as well. Some of the latter calls were, in the view of MDE, duplicative and reflected in some cases an incomplete understanding of the State's capabilities and actions which the Regional office was aware of. Therefore, these calls caused some confusion within MDE. MDE would strongly prefer that the Region be maintained as the NRC contact point in such cases. DOE is contemplating writing NRC on this matter.

Overall, MDE's responses to the February 1989 incident and subsequent regulatory actions were consistent with NRC guidelines for Agreement States.

Enclosures:
As stated

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