



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

March 10, 1998

The Honorable Constance A. Morella
United States House of Representatives
51 Monroe Street, Suite 507
Rockville, MD 20850

Dear Congresswoman Morella:

This is to acknowledge your letter of February 10, 1998, and attached January 30, 1998, letter from a constituent, to Mr. Dennis Rathbun, Director, Congressional Affairs. Your constituent expressed concerns regarding Neutron Products, Inc. (NPI) in Dickerson, Maryland. One apparent concern addressed by the constituent is that NRC supports renewal of the NPI license by the State of Maryland. As long as NPI is permitted to operate, NRC shares the State of Maryland views that the new license contains more specific requirements and will better support future enforcement actions, if necessary. As noted below, the renewal of the primary NPI license has been legally challenged. If the renewal is upheld by the court, an example of an additional requirement that NPI will be required to follow includes its operating procedures for establishing specifications for shielding the pool. Enforcement action could be taken if those required procedures are not followed.

Since NPI is regulated by the State of Maryland, an Agreement State, NRC must obtain some information from the State to fully address the additional concerns expressed by your constituent. We will address those remaining concerns in future correspondence. For your information, pursuant to the Atomic Energy Act of 1954, as amended, Maryland became an Agreement State in 1971 and NRC discontinued regulatory authority for certain types of uses of radioactive material, including operations such as those at NPI. NRC's role is to provide oversight of Agreement States to assure their regulatory programs adequately protect public health and safety and that these programs are compatible with NRC's program.

Your constituent has identified similar concerns about NPI to NRC on previous occasions. They have been considered as allegations and the information was handled in accordance with the agency's procedure for handling allegations. On those occasions, at the constituent's request, the identity of this person has not been revealed to the State of Maryland by NRC. Your

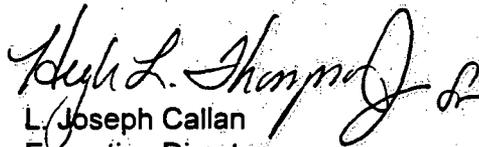
5/4

The Honorable Constance A. Morella

2

constituent has confirmed that this method of handling the current allegations by NRC should continue for the present. In addition, your constituent confirmed that NPI and the State of Maryland are currently in court hearings related to issues associated with the license renewal and requested that NRC wait until the judge reaches a decision before we release your constituent's name to the State of Maryland and before we obtain additional information from the State. In view of this, we will provide you further information on this matter once a ruling on the court case is rendered.

Sincerely,



L. Joseph Callan
Executive Director
for Operations

cc: R. Fletcher, Manager
Radiological Health Program
Air and Radiation Management Administration
Maryland Department of the Environment

March 10, 1998

The Honorable Constance A. Morella

2

constituent has confirmed that this method of handling the current allegations by NRC should continue for the present. In addition, your constituent confirmed that NPI and the State of Maryland are currently in court hearings related to issues associated with the license renewal and requested that NRC wait until the judge reaches a decision before we release your constituent's name to the State of Maryland and before we obtain additional information from the State. In view of this, we will provide you further information on this matter once a ruling on the court case is rendered.

Sincerely,

L. Joseph Callan
Executive Director
for Operations

cc: R. Fletcher, Manager
Radiological Health Program
Air and Radiation Management Administration
Maryland Department of the Environment

Distribution:

EDO RF (G980109)
SECY (CRC-98-0160)
Allegation File (C. Maupin)

DOCUMENT NAME: G:\CHMMORELLA.CHM

* See Previous Concurrence.

To receive a copy of this document, indicate in the box: "C" = Copy without attachment/enclosure "E" = Copy with attachment/enclosure "N" = No copy

| OFFICE | OSP | RI | OSP:DD | OSP:D | DEDR | EDO |
|--------|------------|------------------------|------------|-----------------|-----------|----------|
| NAME | CMaupin:nb | RBlough | PHLohaus | RBangart 6/3/06 | HThompson | LJCallan |
| DATE | 03/03/98 * | 03/04/98* by e-mail | 03/03/98 * | 03/04/98 * | 03/9/98 | 03/9/98 |

OL
3-10-98