



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

October 28, 1994

License Nos. SMB-179
SUB-1452
Docket Nos. 040-00672
040-08866
Control Nos. 117006
113010

Mr. Frank J. Vumbaco
Vice President, Health and Safety
Nuclear Metals, Inc.
2229 Main Street
Concord, MA 01742

SUBJECT: ENFORCEMENT CONFERENCE

Dear Mr. Vumbaco:

Based on the information contained in recent correspondence, it appears that you are not in compliance with the financial assurance requirements in 10 CFR 40.36. This apparent violation is being considered for escalated enforcement action in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), 10 CFR Part 2, Appendix C; accordingly, a Notice of Violation is not presently being issued.

As my staff has discussed with you by telephone, an enforcement conference to discuss the apparent violation has been scheduled for 1:00 p.m. on December 8, 1994 at the Region I Office. Since information which you consider proprietary will likely be discussed, the conference is closed to the public; however, the conference will be transcribed. You will have an opportunity to make a request for confidential treatment of the material in the transcript in accordance with 10 CFR 2.790. The decision to hold an enforcement conference does not mean that the NRC has determined that a violation has occurred or that enforcement action will be taken. The purposes of the conference are to discuss the apparent violation, its cause and safety significance; to provide you the opportunity to point out any errors in our evaluation of your submissions, and to provide an opportunity for you to present your proposed corrective actions. In particular, we expect you to describe your plans for obtaining satisfactory financial assurance so that the facility can be safely decommissioned. You should be prepared to address what additional financial instrument and funding could be made available to ensure some or all of the required decommissioning, if the government does not provide financial assurance.

In addition, the enforcement conference is an opportunity for you to provide any information concerning your perspectives on 1) the severity of the apparent violation, 2) the application of the factors that the NRC considers when it determines the amount of a civil penalty that may be assessed in accordance with Section VI.B.2 of the Enforcement Policy, and 3) any other application of the Enforcement Policy to this case, including the exercise of discretion in accordance with Section VII of the Enforcement Policy. You will

OFFICIAL RECORD COPY

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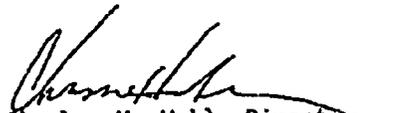
F. J. Vumbaco

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be advised by separate correspondence of the results of our deliberations on this matter. No response regarding the apparent violation is required at this time.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter will be placed in the NRC Public Document Room.

Sincerely,


Charles W. Hehl, Director
Division of Radiation Safety
and Safeguards

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cc:
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