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(R.D.S.)

November 8, 1989

Docket No. 030-12542
License No. 34-09024-05
EA 89-198

Uniroyal Goodrich Tire Company
ATTN: Mr. E. J. Goode
Vice President, Tire Mfg.
500 South Main Street
Akron, Ohio 44318

Gentlemen:

SUBJECT: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTY-\$500
(NRC INSPECTION REPORT NO. 030-12542/89001(DRSS))

This refers to the NRC special inspection conducted on September 27-29, 1989, in response to the loss of two Industrial Nucleonics Model U-2 source holders containing licensed material which you reported to the NRC on September 27, 1989. A routine inspection of your licensed program was also conducted. The report of the inspection was sent to you on October 13, 1989. During the inspection, violations of NRC requirements were identified. On October 17, 1989, an enforcement conference was conducted in the NRC Region III office with Mr. Joseph Harner, Plant Manager of your Woodburn, Indiana facility, and other members of your staff and Mr. C. E. Norelius and other members of the NRC staff to discuss the violations, their causes, and your corrective actions.

The violations identified during the September 27-29, 1989, inspection are described in the enclosed Notice of Violation and Proposed Imposition of Civil Penalty (Notice) and include: (1) failure to secure licensed material from unauthorized removal while stored in an unrestricted area, (2) transfer of licensed material to an entity not authorized to receive this material, (3) failure to have an authorized individual act as radiation protection officer, (4) failure to conduct audits of the radiation protection program on a timely basis, (5) failure to calibrate a Victoreen Model 491 survey meter at required intervals, (6) failure to perform a radiation survey of gauges before replacing mylar windows, (7) failure to conduct physical inventories of sealed sources at required intervals, (8) failure to leak test sealed sources at required intervals, and (9) failure to maintain all information required by Form NRC-5. These violations, when considered collectively, are indicative of a lack of management control and supervisory oversight over the use of radioactive material contained in Industrial Nucleonics gauges at your Woodburn, Indiana facility.

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The NRC is particularly concerned that for the last 12 months your Woodburn, Indiana facility has routinely used gauges containing licensed material without having an authorized Radiation Protection Officer available to oversee these uses. As a result, many required tests and procedures have not been carried out on a timely basis. In addition, there was a complete loss of control when two gauges containing licensed radioactive material were transferred to an unauthorized recipient. It is important that you take whatever steps are necessary to ensure that, in the future, termination of key personnel will not compromise your radiation safety program. Licensee management needs to be more aggressive in its audit and review function and must ensure that deficiencies, when they exist, are identified promptly and corrected effectively.

To emphasize the need for greater management control over all NRC licensed activities, I have been authorized, after consultation with the Director, Office of Enforcement, and the Deputy Executive Director for Nuclear Materials Safety, Safeguards, and Operations Support, to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$500 for the violations described in the Notice. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1989) (Enforcement Policy), the violations described in the enclosed Notice have been categorized as a Severity Level III problem to focus on 1) the need to assure strict control and accountability to prevent improper disposal of licensed material and 2) the lack of adequate oversight of licensed activities which resulted in a number of violations representing a breakdown in control of licensed activities. The base amount of a civil penalty for a Severity Level III problem is \$500.

The escalation and mitigation factors in the Enforcement Policy were considered. You identified the improper disposal of licensed material and promptly reported it to NRC. However, the remaining problems were identified by NRC and you should have identified and corrected them sooner as a result of your own efforts to ensure compliance with NRC requirements; therefore, neither escalation nor mitigation is considered appropriate under this factor. Mitigation by 50% is considered appropriate because your actions to recover the licensed material were prompt and extensive, and your short and long term corrective actions with regard to oversight of your radiation safety program were prompt and extensive following the NRC inspection. Escalation by 50% is considered appropriate because you had prior notice regarding lack of management control via NRC Information Notice No. 88-10, "Materials Licensees: Lack of Management Controls Over Licensed Programs," dated March 10, 1988. While your representatives stated that they did not recall this notice, they did indicate that you have received NRC notices from time to time. It appears that the notice was received at the Akron, Ohio address on your license but was not forwarded to the proper individuals.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. Further, you should describe actions taken or planned to improve management oversight of licensed activities and to self-identify and correct violations of NRC requirements. You should include actions to assure that the appropriate individuals receive and act on NRC communications such as bulletins and notices when they are sent to the address on your license. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

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 its enclosure will be placed in the NRC 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.

Sincerely,

Carl Paperiello for

A. Bert Davis
Regional Administrator

Enclosures:

- 1. Notice of Violation
and Proposed Imposition
of Civil Penalty
- 2. Inspection Report
No. 030-12542/89001(DRSS)

See Attached Distribution

OE FAX
JDeMedico
10/20/89

D:OE FAX
JLieberman
11/2/89

DEDS FAX
HThompson
11/3/89

R111
Schultz/ib
11/7/89

R111
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AD
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11/7/89

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OGPA

HThompson, DEDS

JMTaylor, DEDR

JLieberman, OE

JGoldberg, OGC

RBernero, NMSS

Enforcement Coordinators

RI, RII, RIV, RV

State of Ohio

State of Indiana

RAO:RIII

RAO:RIII

SLO:RIII

M. Stahulak, RIII