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USNRC

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

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BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

DOCKETING & SERVICE
BRANCH

In the Matter of)	
SAFETY LIGHT CORPORATION)	Docket Nos. 030-05980
UNITED STATES RADIUM CORPORATION)	030-05982
USR INDUSTRIES, INC.)	030-05981
USR LIGHTING, INC.)	030-08335
USR CHEMICALS, INC.)	030-08444
USR METALS, INC.)	
U.S. NATURAL RESOURCES, INC.)	(ASLBP No. 89-590-01-0M
LIME RIDGE INDUSTRIES, INC.)	and 90-598-01-0M-2)
METREAL, INC.)	
(Bloomsburg Site Decontamination))	

NRC STAFF'S RESPONSE TO MOTION OF USR INDUSTRIES, INC.,
USR LIGHTING, INC., USR CHEMICALS, INC.,
USR METALS, INC., AND U.S. NATURAL RESOURCES, INC.
TO STAY THE ORDER ISSUED AUGUST 21, 1989

I. INTRODUCTION

The NRC staff submits this brief in opposition to USR Industries, Inc., USR Lighting, Inc., USR Chemicals, Inc., USR Metals, Inc., and U.S. Natural Resources, Inc. (the USR companies) "Motion to Stay the Order Issued August 21, 1989." ^{1/} The Atomic Safety and Licensing Board (Licensing Board) presiding over this proceeding should deny the motion for a stay because the USR companies have not satisfied their burden of establishing that the four factors stated in Virginia Jobbers ^{2/}

^{1/} The staff will refer to the "Memorandum of Law in Support of the Motion of [the USR companies] to Stay the Order Issued August 21, 1989" as "USR Brief."

^{2/} Virginia Petroleum Jobbers Ass'n v. Federal Power Comm'n, 259 F.2d 921, 925 (D.C. Cir. 1958).

and codified in 10 C.F.R. § 2.788 ^{3/} weigh in favor of granting it.

The staff will show that the Bloomsburg site is contaminated with at least three different radionuclides, that currently available data do not yield full information of extent and location of the contamination on the site, that known or unknown contaminants may be migrating through the groundwater at the site, and that the USR companies are directly responsible in part for the presence of these contaminants. Because these conditions may lead to adverse effects on public health and safety, as the staff will demonstrate, complete characterization of the contamination on the site should begin immediately so that any appropriate remedial actions may be taken in a timely manner. Accordingly, it is necessary for the USR companies to begin setting aside funds to pay for site characterization. Moreover, because of the USR companies' apparently precarious financial condition, any delay in setting aside money for site characterization may mean that the USR companies will ultimately fail to discharge their obligations to clean up the site. Therefore, it is also in the public interest for the USR companies to begin setting aside funds for site characterization immediately.

During the prehearing conference held by telephone on October 27, 1989, the Licensing Board temporarily stayed both the Order Modifying Licenses (Effective Immediately) issued on August 21, 1989, and the Order Modifying Licenses (Effective Immediately) and Demand for Information issued March 16, 1989. In their "Motion to Stay," the USR companies request the Board to stay the August Order but not the March

^{3/} 10 C.F.R. § 2.788 (1989).

Order. 4/ Accordingly, the Licensing Board should lift the temporary stay of the March Order.

II. ISSUES

In order to decide if a stay is warranted in this case, the Licensing Board must determine:

1. Whether the movant has made a strong showing that it is likely to prevail on the merits;
2. Whether the movant will be irreparably injured unless a stay is granted;
3. Whether the granting of a stay would harm other parties; and,
4. Where the public interest lies. 5/

In determining whether a stay is warranted, the Board will have to decide in this enforcement proceeding what weight to accord each factor.

III. BACKGROUND

As described in the staff's brief filed on November 6, 1989, on March 16, 1989, the NRC staff issued an Order Modifying Licenses (Effective Immediately) and Demand for Information to United States Radium Corporation, Safety Light Corporation, USR Industries, Inc., and their subsidiaries and successors (the Corporations). On August 21, 1989, the NRC staff issued a further Order Modifying Licenses (Effective Immediately) to the Corporations to assure that the Corporations would make available funds adequate to comply with the March Order. The staff

4/ Motion to Stay at 1.

5/ 10 C.F.R. § 2.788.

asserted the NRC's jurisdiction over the USR companies in the two orders based on a series of transactions described below. First, however, the staff describes the relevant licensing history.

On April 25, 1969, U.S. Radium applied to renew license number 37-00030-02 (the "02" license). ^{6/} The proposed purpose for the license was "[c]econtamination, clean-up and disposal of areas previously used for research, development and processing under this license." ^{7/} The NRC renewed the license for such purposes on August 5, 1969. ^{8/} On January 25, 1979, the NRC issued amendment number 40 to U.S. Radium's license number 37-00030-02 (the "02" license). ^{9/} License conditions 13 and 14 of this license required U.S. Radium to submit a status report of decontamination work for each period beginning on July 1, as specified in applications dated June 7, 1977, and October 23, 1978. Each such report was due on the succeeding July 1. The incorporation of the October 23, 1978 letter into the license required U.S. Radium to take the actions listed on the schedule enclosed with that letter. ^{10/} U.S. Radium did not take those actions.

^{6/} Application for Byproduct Material License, April 25, 1969, enclosed as Attachment 1. Attachment 1 also includes the amendment incorporating this application, as well as amendment number 40 to the 02 license.

^{7/} Id.

^{8/} License No. 37-00030-02, Amendment No. 36.

^{9/} License No. 37-00030-02, Amendment No. 40.

^{10/} See Attachment 1.

On May 14, 1980, United States Radium Corporation (U.S. Radium), a publicly held corporation that held the five NRC licenses at issue in this case, created USR Industries, Inc. ^{11/} Concurrently, USR Industries created Industries Merger Co., Inc. As the "Agreement and Plan of Merger" dated May 16, 1980 (Merger Plan) ^{12/} describes, as of May 16, 1980, these three corporations held interests in each other as follows: U.S. Radium, ^{13/} which then owned, possessed, and operated the Bloomsburg facility, owned all the outstanding stock of USR Industries, Inc. ^{14/} In turn, USR Industries owned all the outstanding stock of Industries Merger Co., Inc. ^{15/} All these corporations were Delaware corporations. As described in the Merger Plan, on execution of the plan, each share of U.S. Radium (publicly held) would convert to a share of USR Industries. The shares of Industries Merger Co., Inc. (held by USR Industries) would convert to shares of the "Surviving Corporation," i.e., the entity whose assets comprised all of U.S. Radium's assets prior to May 14, 1980. Finally, all shares of USR Industries outstanding prior to execution of

^{11/} American Stock Exchange, Inc., Listing Application No. 12145, dated August 21, 1980, at 1. (Enclosed as Attachment 2.)

^{12/} Agreement and Plan of Merger, dated May 16, 1980, Exhibit A to United States Radium Corporation Proxy Statement dated July 11, 1980. The Proxy Statement is enclosed as Attachment 3, and the Merger Plan is enclosed as Attachment 4.

^{13/} U.S. Radium is denoted in the Merger Plan as "USR." Merger Plan, supra, note 12, at A-1.

^{14/} Id. In the Merger Plan, USR Industries is denoted as "Industries."

^{15/} Id. The Merger Plan denotes Industries Merger Co., Inc. as "Merger Company."

the Merger Plan (held by U.S. Radium) would be cancelled. ^{16/} In summary, U.S. Radium created its wholly-owned subsidiary USR Industries and USR Industries' wholly-owned subsidiary Industries Merger Co. so that, on execution of the Merger Plan, U.S. Radium's ownership of USR Industries would cease and U.S. Radium would become a wholly-owned subsidiary of USR Industries. The board of directors of the former U.S. Radium would constitute the board of directors of USR Industries after execution of the Merger Plan. ^{17/}

As further described in the Proxy Statement dated July 11, 1980, ^{18/} after the merger, U.S. Radium, as a wholly-owned subsidiary of USR Industries, would transfer all of its lines of business except for the safety lighting business to four other wholly-owned subsidiaries of USR Industries. The Proxy Statement names these four companies as USR Chemical Products, Inc., USR Lighting Products, Inc., USR Metals, Inc., and U.S. Natural Resources, Inc. ^{19/}

On August 27, 1980, U.S. Radium, USR Industries, and Industries Merger Co. executed the Merger Plan. ^{20/} Subsequently, USR Industries

^{16/} Id., Article II, at A-3.

^{17/} Letter dated July 11, 1980 from Ralph T. McElvenny, Jr., Chairman of the Board and Chief Executive Officer of U.S. Radium to the stockholders of U.S. Radium. Cover letter to Proxy Statement, Attachment 3.

^{18/} Proxy Statement for the Annual Meeting of Stockholders of United States Radium Corporation and Prospectus of USR Industries, Inc., dated July 11, 1980. (Attachment 3).

^{19/} Id. at 15.

^{20/} ASE Listing Application, supra, note 11, at 3.

reorganized the businesses of its wholly-owned subsidiary, U.S. Radium, into five wholly-owned subsidiaries, with the safety lighting operations at Bloomsburg segregated from all other assets in a company named U.S. Radium. On November 24, 1980, USR Industries changed U.S. Radium's name to Safety Light. On January 21, 1981, Safety Light requested the NRC to change the name on its licenses to Safety Light. Aside from this request for a name change, none of the corporations involved in these transactions informed the NRC of any of the above transactions at the time they occurred.

On May 24, 1982, USR Industries sold its wholly-owned subsidiary, Safety Light, to three individuals. ^{21/} No corporation or individual involved with this transaction requested the NRC's permission to execute this transaction. The Commission has never given its consent in writing for any transfer of control of any of the licenses involved in this proceeding as required by 10 C.F.R. § 30.34(b).

IV. DISCUSSION

The issue concerning the application of the Commission's stay criteria set forth in 10 C.F.R. § 2.788, have generally arisen in cases involving a reactor operating license or construction permit. In these proceedings, the decisions consistently hold that whether a stay is

^{21/} Letter dated November 11, 1983, USR Brief, Exhibit B.

warranted must be determined by balancing the four factors of 10 C.F.R. § 2.788. ^{22/} In an operating license or construction permit proceeding, the adjudicatory bodies have given more weight to the factors of irreparable harm and likelihood of success on the merits. ^{23/} These Boards have determined, for example, that "[i]t is the 'established rule that a party is not ordinarily granted a stay of an administrative order without an appropriate showing of irreparable injury.'" ^{24/} The burden of proof is on the party requesting the stay. ^{25/} Moreover, where the party asks for the full relief to which it might be entitled on appeal, it has a heavy burden to establish a right to it. ^{26/}

In this enforcement proceeding, the significance of each of the factors should be considered differently because of the nature of the action and the potential impact on the public. The USR companies are asking this Licensing Board to stay the August Order until the Board resolves the jurisdictional issue. To grant the stay at this time would allow the condition of the site to continue to deteriorate until the completion of this litigation, with attendant potential for latent

^{22/} Public Service Company of Indiana, Inc. (Marble Hill Nuclear Generating Station, Units 1 and 2), ALAB-437, 6 N.R.C. 630 (1977), citing Washington Metropolitan Area Transit Comm'n v. Holiday Tours, 559 F.2d 841 (D.C. Cir. 1977).

^{23/} Alabama Power Co. (Joseph M. Farley Nuclear Plant Units 1 and 2), CLI-81-27, 14 N.R.C. 795, 797 (1981); Consumers Power Co. (Midland Plant, Units 1 and 2), ALAB-395, 5 N.R.C. 772, 785 (1977).

^{24/} Marble Hill, supra, note 22, 6 N.R.C. at 632, quoting Permian Basin Area Rate Cases, 390 U.S. 747, 773 (1968).

^{25/} Farley, supra, note 23; Midland, supra, note 23.

^{26/} Id.

conditions to cause harm to public health and safety. Because of the potential harm to the public that might occur if corrective actions are not started in a timely manner, the public interest should be given great weight in considering the stay request. A case in which the agency compels a person to take action to protect public health and safety in enforcement is fundamentally different from a case in which the agency grants a license to initiate licensed activity. In the former case, the agency has determined that conditions exist which may threaten public health and safety and has demanded immediate action by the responsible parties, while in the latter case, the agency has determined that a party's proposed action will not endanger public health and safety or property. In an enforcement case such as this one, the staff has concluded that action is required to protect health or minimize danger to life or property. The core of the Commission's enforcement responsibilities is to ensure that responsible persons ^{27/} take action to protect health and minimize danger to life or property. The stay factors of potential harm to third parties and the public interest are where these responsibilities are manifested in the decision whether a stay is warranted. Accordingly, the Licensing Board should give great weight to the impact on the public interest factor of 10 C.F.R. § 2.788.

^{27/} As defined in the 1954 Act, the term "person" includes corporations, partnerships, firms, associations, or other entities, 42 U.S.C. 2014(s) (1982) (§ 11 of the 1954 Act).

A. Likelihood of Success on the Merits

1. NRC Jurisdiction over the USR companies

a. The USR companies' sale of Safety Light to three individuals

Based on § 184 ^{28/} of the 1954 Act, the Commission's regulations in § 30.34(b) state that:

[n]o license issued or granted pursuant to the regulations in [Part 30] and Parts 31 through 35, and 39 nor any right under a license shall be transferred, assigned or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of any license to any person, unless the Commission shall, after securing full information, find that the transfer is in accordance with the provisions of [~~the~~ 1954 Act] and shall give its consent in writing. ^{29/}

Section 30.34(b) implements § 184 of the 1954 Act as it applies to materials licensees such as the USR companies and Safety Light. Section 30.34(b) also embodies Congress' direction to the Commission that:

Sec. 183. Terms Of Licenses.--Each license shall be in such form and contain such terms and conditions as the Commission may, by rule or regulation, prescribe to effectuate the provisions of [the 1954 Act], including the following provisions:

^{28/} 42 U.S.C. § 2234 (1982). Section 184 of the 1954 Act provides that:

"Sec. 184. Inalienability of Licenses.--No license granted hereunder and no right to utilize or produce special nuclear material granted hereby shall be transferred, assigned or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of any license to any person, unless the Commission shall, after securing full information, find that the transfer is in accordance with the provisions of this Act, and shall give its consent in writing.

^{29/} 10 C.F.R. § 30.34(b) (1989) (this regulation has not changed since 1979).

. . . .

"c. Neither the license nor any right under the license shall be assigned or otherwise transferred in violation of the provisions of [the 1954 Act]. ^{30/}

The license itself states that "[t]his license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations and orders of the Nuclear Regulatory Commission now or hereafter in effect . . ." ^{31/} Sections 183 and 184 ^{32/} of the 1954 Act do not authorize the transfer of a license unless the Commission finds that the transfer is in accordance with the 1954 Act and gives its consent to the transfer in writing. The Commission did not make such a finding and did not give its consent in writing to any transfer in this case.

Accordingly, 10 C.F.R. § 30.34, which implements §§ 183 and 184 of the 1954 Act, clearly prohibits transfer of those licenses, unless the Commission approves that transfer in writing. The statute does not authorize the Commission to allow a transfer in any other fashion, nor does it authorize a licensee to unilaterally transfer its license. ^{33/}

^{30/} 42 U.S.C. § 2233(c) (1982).

^{31/} License No 37-00030-02, Amendment No. 40 (Jan. 25, 1979).

^{32/} 42 U.S.C. § 2234. See *supra*, note 28.

^{33/} Cf. *U.S. Ecology, Inc. (Sheffield, Illinois Low-Level Radioactive Waste Disposal Site)*, LBP-87-5, 25 N.R.C. 98, 106-108, vacated on other grounds, ALAB-866, 25 N.R.C. 897 (1987) (prohibiting a licensee from unilaterally terminating its license).

The USR companies argue that this was not a "transfer of control" prohibited by 10 C.F.R. § 30.34(b) because only ownership, and not control, was transferred. ^{34/} Before the sale, however, the Board of Directors of Safety Light was identical to the Board of Directors of the USR companies, which then controlled Safety Light's operating management. After the sale, the operating management of Safety Light was a separate corporate entity and was no longer responsible to USR Industries. Accordingly, the USR companies' sale of Safety Light was a transfer of control.

The USR companies also argue that the NRC lacks jurisdiction over them by asserting that the NRC staff "acquiesced" in the transfer and that, as a matter of equity, this Board should deem that transfer approved. ^{35/} As described above, the 1954 Act provides only one method for the Commission to approve a license transfer. That method was not followed in this case. Moreover, the equitable remedies of laches and equitable estoppel, relied on by the USR companies, is not appropriate in this case. Such equitable remedies should not be applied to a government agency where there is no showing of affirmative misconduct by the government. ^{36/} The USR companies' suggestion that Safety Light was

^{34/} USR Brief at 13-14.

^{35/} Id.

^{36/} Heckler v. Community Health Services of Crawford County, 467 U.S. 51, 59-61 (1984); Schweiker v. Hansen, 450 U.S. 785, 788-790 (1980); United States Immigration and Naturalization Service v. Hibi, 414 U.S. 5, 8 (1973). In Hibi, the Court stated that not even affirmative misconduct would necessarily allow use of such equitable

the same legal entity both before and after the USR companies sold it to its operating management and that this indicates that Safety Light was not transferred is simply not supported by the facts. Accordingly, the license transfer was not effective and the USR companies have not shown any substantial likelihood that they will succeed on the merits of whether the NRC has jurisdiction over them. ^{37/}

b. U.S. Radium's reorganization of itself into the USR companies

Because the Commission's regulations and the 1954 Act prohibited the USR Industries' transfer of the licenses to the current owners of Safety Light and rendered it ineffective, and through the doctrine of parent company liability, USR Industries is responsible for the obligations of U.S. Radium, its former subsidiary, under the licenses. The three showings necessary to establish parent company liability are: 1) the parent controls the subsidiary to such a degree that the subsidiary is a mere instrumentality of the parent; 2) wrong by the parent through the subsidiary, e.g., violation of a statute; and 3) unjust loss to the

(Footnote continued from previous page)

defenses against the government. See Lea Exploration v. Department of Energy, 843 F.2d 510, 514-15 (Temp. Emer. Ct. App. 1988); Federal Deposit Ins. Corp. v. Roldan Fonseca, 795 F.2d 1102, 1107-08 (1st Cir. 1986); United States v. Ruby Co., 588 F.2d 697, 701-05 (9th Cir. 1978).

^{37/} The USR companies refer to an order in a New Jersey state court finding that "Safety Light was the successor of U.S. Radium." No citation was provided nor was a copy of the decision attached to the stay request. This decision, nevertheless, does not change the fact that USR Industries did not transfer the licenses in compliance with the Atomic Energy Act or the Commission's regulations.

claimant, such as the subsidiary's inability to satisfy its obligations. ^{38/} As will be shown, USR Industries should be liable for U.S. Radium's obligations under these factors.

As described above, U.S. Radium's Board of Directors was identical to that of USR Industries both before and after the August 1980 reorganization. As shown by the proxy statement, the only thing that changed in this transaction was the names of the companies on the stock certificates outstanding before and after the transaction. Clearly, the same parties controlled U.S. Radium both before and after the transaction. This same group then transferred U.S. Radium's assets other than its safety lighting operation to other USR Industries subsidiaries. Moreover, this same group controlled and still control those subsidiaries. The same Board of Directors sold Safety Light to its present owners in violation of the Commission's regulations and the Atomic Energy Act, and consequently, Safety Light's access to additional assets to satisfy its responsibilities under the licenses was eliminated. The identical ownership and control of U.S. Radium both before and after the 1980 reorganization, the stripping of Safety Light of its assets, making it difficult for Safety Light to discharge its responsibilities under the licenses, and USR Industries' violation of the 1954 Act by its sale of Safety Light to the current owners, are the predicates to establishing that the parent company, USR Industries, remains liable for the obligations of its subsidiary, U.S.

^{38/} See Steven v. Roscoe Turner Aeronautical Corp., 324 F.2d 157, 160 (7th Cir. 1963).

Radium. ^{39/} Because the license transfer was void, and because USR Industries remains responsible for the obligations of its subsidiary under those licenses, the NRC had and continues to have jurisdiction over the USR companies.

The USR companies rely upon their notifications to "shareholders and the public," "customers and creditors," and "cognizant regulatory agencies," ^{40/} concerning the August 1980 transaction as justification for the position that a transfer has in fact occurred. The USR companies also emphasize that USR Industries and the subsidiaries other than U.S. Radium were never licensed and never conducted licensed activities. ^{41/} As demonstrated above, however, USR Industries was clearly liable for its subsidiary's obligations under the license and the assets of those companies were improperly transferred from Safety Light. The Commission should have had the opportunity to consider the change in Safety Light's financial strength before any reorganization or change in ownership or control took place. The USR companies' notifications to other persons

^{39/} Id. See United States v. Kayser-Roth Corp., No. 88-0325B, slip op., 1989 U.S. Dist. Lexis 12906 (D.R.I. Oct. 11, 1989). The staff notes that these same facts clearly establish that USR Industries and Industries Merger Company were mere instrumentalities of U.S. Radium before execution of the Merger Plan.

^{40/} USR Brief at 10-12.

^{41/} Note that USR Metals, Inc., currently leases space from Safety Light at the Bloomsburg site. USR Metals has been in and is now in possession of licensed materials, in the form of contamination on the site, because a leasehold is a possessory interest. 51C C.J.S. § 2.2 (1968). If USR Metals does not have a license, it would be in violation of the Atomic Energy Act.

does not change the fact that the Commission never gave its approval in writing to any transfer of the license.

The USR companies claim that U.S. Radium reorganized itself in the exercise of "sound business judgment." ^{42/} The USR companies go on to state that "management of each subsidiary was to be directly responsible for all aspects of [the subsidiary's] operation" and "[p]rofitability was to be stimulated by direct profit-center accounting, management responsibilities and production controls." ^{43/} In the first place, this reasoning does not provide a basis for not complying with the Atomic Energy Act or the Commission's regulations. Secondly, if the goal was to achieve some additional management control over operation, this could be accomplished in a less severe manner than stripping assets from Safety Light. A company can equally implement such changes in a divisional structure by instituting "profit-center accounting," "management responsibilities [sic]," and "production controls." On the other hand, the procedure followed by the USR companies does have the effect of "[limiting] the rights and liabilities associated with and employed by each business." ^{44/} This would be accomplished by "[t]he transfer of non-regulated assets to separate operating subsidiaries," ^{45/} with the goal "to prevent business collapse," ^{46/} i.e., to avoid liability not only

^{42/} USR Brief at 12.

^{43/} Id.

^{44/} USR Brief at 12.

^{45/} Id.

^{46/} Id.

for the Bloomsburg site, but for sites in New Jersey and Kentucky, as well. ^{47/} Implementation of these goals has the effect of reducing Safety Light's ability to fulfill its responsibilities under its NRC licenses and, in any event, was accomplished without complying with the Atomic Energy Act and the Commission's regulations. The USR companies arguments do not change the fact that the NRC continues to have jurisdiction over them. ^{48/} Accordingly, the USR companies do not make any substantial argument that the NRC lacks jurisdiction over them, and fail to carry their burden of demonstrating likelihood of success on the merits.

2. Immediate Effectiveness

a. Standard of review

To the extent that this Board determines to review the basis utilized by the Staff in making this Order immediately effective, it should apply the following standards:

- 1) whether the statement of reasons given permits rational understanding of the basis for [the staff's] decision;

^{47/} See USR Industries, Inc., et al., v. Insurance Co. of North America, Docket No. L-055362-84, "Motion to File Third Amended Complaint" and "Third Amended Complaint" of USR Industries, inc. (Aug. 4, 1989, N.J. Super. Ct. Law Div.) (Attachment 5). Several lawsuits have been filed seeking to hold USR Industries liable for several sites in New Jersey and for Maxie Flats in Kentucky. Third Amended Complaint at 13-18.)

^{48/} If the Board should find that USR Industries' ownership and control of U.S. Radium after the August 1980 transaction was sufficiently different from ownership and control of U.S. Radium before the transaction such that U.S. Radium was not a mere instrumentality of USR Industries, and that USR Industries, therefore, was not liable for the obligations of its subsidiary, then this transaction was also a transfer of ownership and control and in violation of the Commission's regulations and the 1954 Act.

- 2) whether the [staff] has correctly understood governing law, regulations, and policy;
- 3) whether all necessary factors have been considered, and extraneous factors excluded, from the decision;
- 4) whether inquiry appropriate to the facts asserted has been made; and
- 5) whether the . . . decision is demonstrably untenable on the basis of all information available to him. ^{49/}

While not analyzing these factors explicitly, the USR companies seem to attack the staff's exercise of discretion in making the August Order immediately effective on the basis of factor (2), because the staff has allegedly misunderstood the Commission's regulations and policy governing decommissioning, and factor (5), because the staff has allegedly admitted that there is no immediate health and safety problem at the site.

b. Statements by NRC staff

The USR companies rely on and analyze statements to the Commission at a public meeting on July 13, 1988, made by Mr. Hugh Thompson, Deputy Executive Director for Nuclear Materials Safety, Safeguards, and Operations Support, and Mr. Glen Sjoblom, Deputy Director, Division of Industrial and Medical Nuclear Safety, Office of Nuclear Material Safety and Safeguards. As explained below, those statements are consistent with the public health, interest, and safety basis for making the August Order immediately effective. However, as provided in 10 C.F.R. § 9.103, statements made by NRC employees at a Commission meeting may not be

^{49/} Sheffield, 9 N.C.R. at 676, nt. 1, quoting Consolidated Edison Co. of New York (Indian Point, Units 1, 2, and 3), CLI-75-8, 2 N.R.C. 173, 175 (1975).

pleaded, cited, or relied upon in any proceeding under Part 2 of the Regulations. Accordingly, these statements made by Mr. Thompson and Mr. Sjoblom may not be relied upon or considered. However, the Staff has included an affidavit by Mr. Sjoblom in support of the determination that it was necessary to take immediate action in this matter. ^{50/}

In addition, the NRC staff does not now assert, nor has it ever believed, that workers on site or members of the public are currently being exposed to doses of radiation from the Bloomsburg site that might cause adverse health effects. Mr. Sjoblom's statements, which the USR companies quote on pages 16 and 17 of their brief, explain this position. However, "latent conditions which may cause harm in the future are a sufficient basis for issuing an immediately effective . . . order where the consequences might not be subject to correction in the future." ^{51/} Mr. Sjoblom's statements to the effect that individuals are not now suffering adverse health effects as a result of exposures from the contaminated site are consistent with staff's findings in this case that latent conditions at the site may cause harm in the future. Here, members of the public are not now suffering adverse health effects. ^{52/} However, it is possible that strontium-90 or other isotopes may be migrating through the groundwater and may escape the site. If strontium-90 were to migrate into local drinking water supplies, the concentration of

^{50/} Affidavit of Glen L. Sjoblom Regarding Bloomsburg Site Decontamination (Nov. 16, 1989) (Sjoblom Affidavit) (Attachment 6).

^{51/} Sheffield, 9 N.R.C. at 677, citing Consumers Power Co. (Midland Plant, Units 1 and 2), CLI-74-3, 7 A.E.C. 7, 10-12 (1974).

^{52/} Sjoblom Affidavit, paragraph 13.

strontium-90 would be likely to exceed EPA standards for the concentration of that isotope in drinking water. ^{53/} Accordingly, there is an immediate need to obtain further information regarding the extent and location of the contamination on the site. ^{54/} Also, it is in the public interest to begin to characterize the site immediately. ^{55/} Accordingly, while no adverse health effects are yet being manifested, latent conditions on the site may adversely affect public health and safety in the future, and under the Sheffield standard, the staff had a sound basis for making the August Order immediately effective.

c. Staff interpretation of Commission regulations and policy

The USR companies' contention that the staff has misconstrued the regulations and Commission policy is simply in error; the USR companies assert that "both the March Order and the August Order refer to decontaminating the site for "unrestricted access." ^{56/} The March Order, however, requires "a single decontamination plan with a timetable for specific decontamination activities (milestones) and transfer of contaminated waste. The plan shall include the rationale for the priorities established [in it.]" ^{57/} The March Order goes on to require that when

^{53/} Affidavit of Francis M. Costello, paragraph 4 (Nov. 16, 1989) (Costello Affidavit) (Attachment 7).

^{54/} Id.; Sjoblom Affidavit, paragraphs 7-9, 14-18.

^{55/} Sjoblom Affidavit, paragraph 15.

^{56/} USR Brief at 18.

^{57/} March Order, § VII D.

the Regional Administrator for Region I approves the plan, the plan will be implemented. Nowhere does the March Order require decontamination for unrestricted use; it only requires the minimum decontamination that Safety Light and the USR companies can justify. The only place where the March Order refers to "unrestricted use" is where it requires the Corporations to survey the site ^{58/} and requires that "[t]he surveys shall be sufficient to develop a complete plan for decontamination/removal operations necessary to permit unrestricted access to the site." ^{59/} The surveys will provide information on which the Corporations and the staff may make rational decisions regarding what must be done at the site. Lacking complete information, the staff will be unable to discharge its responsibilities to protect public health and safety. In short, the USR companies' argument is incorrect because neither the March Order nor the August Order require decontamination for unrestricted access. ^{60/}

Accordingly, the USR companies have not set forth any substantial argument that the staff lacked a basis for making the August Order immediately effective, and have not satisfied their burden of demonstrating likelihood of success on the merits.

^{58/} The USR companies' reference to the § II of the August Order is to a mere statement of fact: "The levels of radioactivity exceed those that would permit unrestricted access to the facility." This statement does not require the Corporations to do anything.

^{59/} Id. at § VII B.

^{60/} As indicated in Affidavit of Edward Y. Shum, Ph.D., and Robert J. Starmer, Ph.D., (Attachment 8), site characterization alone will cost approximately \$1,000,000, let alone cleanup; § 30.35's requirement to fund decommissioning for \$750,000 would be grossly inadequate to decommission the site.

B. Irreparable Harm

The USR companies cite the August Order for the proposition that they are currently losing money. The USR companies go on to allege that "[i]f USR Industries were to comply with the August Order as presently drafted, it would be required to deposit between \$50,000 and \$100,000 per month over the next year into a trust fund. The result of that order is likely bankruptcy." ^{61/} The fact that USR Industries is in financial difficulty formed part of the reason that the August 21, 1989 Order was made immediately effective. The Staff is concerned that because of the present financial condition in which USR finds itself, sufficient funds will not be available for USR Industries to meet their financial responsibilities under their license. In addition, USR Industries has not established that enforcement of the Order would result in bankruptcy. It is clear that, "[b]are allegations of what is likely to occur are of no value since the court must decide whether the harm will in fact occur. The movant must provide proof . . . indicating that the harm is certain to occur in the near future. Further, the movant must show that the alleged harm will directly result from the action which the movant seeks to enjoin." ^{62/} The USR companies motion is devoid of affidavits or documentary evidence that the USR companies will be forced into bankruptcy if they comply with the August Order. Because they have provided no proof, they have not met

^{61/} USR Brief at 20.

^{62/} Wisconsin Gas Co. v. Federal Energy Regulatory Comm'n, 758 F.2d 669, 674 (D.C. Cir. 1985) (emphasis in original). The Court of Appeals denied the stay in this case.

their burden of showing irreparable harm and their motion for a stay must be denied.

Based on information currently available to the Staff, it does not believe that payment into the trust will threaten the very existence of the movant's business. In a sworn statement in a letter dated September 19, 1989, the Chairman and President of USR Industries stated that the USR companies had a consolidated worth of \$1.6 million. ^{63/} USR Industries holds twenty-five percent of the stock of Pinnacle Petroleum, ^{64/} and Pinnacle Petroleum stock is traded on the NASDAQ system. ^{65/} According to Dun & Bradstreet, Pinnacle Petroleum's net worth is \$2.8 million; accordingly, the USR companies have at least \$700,000 in assets that can be liquidated to deposit into the trust.

Moreover, the case that the USR companies cite for the principle that irreparable harm is found in the absence of a stay where the movant would suffer "the destruction of [the business] in its current form . . .," is clearly distinguishable from this case. In Holiday Tours, ^{66/} the District Court granted the Transit Commission a permanent injunction restraining Holiday from operating a sightseeing service without a

^{63/} Letter dated September 19, 1989, from Ralph T. McElvenny, Jr., President, to William T. Russell, Regional Administrator, NRC Region I, at 4 (Attachment 9).

^{64/} Pinnacle Petroleum, Inc., v. United States Nuclear Regulatory Comm'n, No. 89-184 (D.Del. filed Apr. 14, 1989) (Verified Complaint, at 4) (Attachment 10).

^{65/} Id. at 3.

^{66/} Washington Metropolitan Area Transit Comm'n v. Holiday Tours, Inc., 559 F.2d 841 (D.C. Cir. 1977).

certificate of public convenience and necessity, but stayed the injunction on Holiday's motion. ^{67/} In Holiday Tours, Holiday's sole business was operating tour buses, and the injunction would have prevented Holiday from doing so. In this case, the USSR companies would have to dispose of assets to comply with the order, but the August Order does not otherwise prevent them from engaging in their businesses. As noted above, the USSR companies did not show how disposing of some of their assets would prevent them from conducting their normal business operations. Accordingly, the USSR companies have not demonstrated that compliance with the order threatens the very existence of their businesses, and have failed to satisfy their burden of demonstrating irreparable injury. ^{68/}

C. Affect on Third Parties

As described above, latent effects on public health may form a basis for agency action. While no person is now being exposed to damaging doses of radiation from the contamination at the Bloomsburg site, as explained below, failure to initiate site characterization immediately may have adverse effects on third parties. ^{69/}

^{67/} Id. at 842.

^{68/} The USSR companies cite Getty Oil v. Ruckleshaus 342 F. Supp. 1006 (D. Del. 1972) as a case where a) there was no hazard to public health and safety from a stay, but the regulation that was to be enforced was in the public interest. The staff notes that the District Court denied the stay because of Getty's almost certain probability of losing the case on the merits. However, the Court of Appeals remanded the case for lack of jurisdiction with instructions to dismiss, and did not affirm the holding. Getty Oil v. Ruckleshaus, 467 F.2d 349 (3d Cir. 1972)

^{69/} Costello Affidavit, paragraphs 3, 4.

Soil, groundwater, and buildings on the Bloopisburg site are contaminated with radium-226, strontium-90, and tritium. ^{70/} These isotopes have half-lives of approximately 1600 years, 30 years, and 12 years, respectively. ^{71/} The concentration of radioactive materials in soil and groundwater on the site exceed NRC standards for unrestricted use. ^{72/} Moreover, concentration of strontium-90 in groundwater on the site exceeds EPA drinking water standards. ^{73/} Because the current sampling program is incomplete, strontium-90 or other isotopes, in unknown concentration, may be moving offsite in groundwater. ^{74/} If strontium-90 were to move offsite through groundwater and contaminate supplies of drinking water, that contamination would likely exceed EPA drinking water standards. ^{75/} Accordingly, latent conditions on the site may result in effects on public health and safety. In order to prevent these potential effects, site characterization should begin immediately. ^{76/} Because of the staff's important interest in protecting public health and safety, the Board should give this factor heavy weight. Accordingly, the stay should be denied.

^{70/} Sjoblom Affidavit, paragraph 17.

^{71/} Costello Affidavit, paragraph 4.

^{72/} Id.

^{73/} Id.

^{74/} Id.

^{75/} Id.

^{76/} Id.; Sjoblom Affidavit, paragraphs 15-18.

D. The Public Interest

In determining where the public interest lies in this case, the Licensing Board should consider: 1) Any delay will make ultimate decontamination more difficult and more expensive; ^{77/} and, 2) should the USR companies continue to lose money, by the time a decision on the merits is reached, with the full panoply of appeals available to the USR companies, so much money will have been dissipated that the cost of cleanup will fall on the taxpayers. Furthermore, it is clear from the record that many of the assets of the company that deposited the radioactive contamination at the Bloomsburg site, U.S. Radium (before 1980), now are vested in the USR companies. ^{78/} It is in the public interest that those responsible for polluting a site clean up that site. ^{79/} Any grant of a stay will not only make decontamination more difficult, but may lead to the USR companies' inability to discharge their obligations under the licenses. Accordingly, the public interest weighs heavily against the granting of a stay. The Licensing Board should find that it is not in the public interest to stay the immediate effectiveness of the August 21, 1989 Order.

^{77/} Sjoblom Affidavit, paragraph 17; Costello Affidavit, paragraph 5.

^{78/} Costello Affidavit, paragraphs 6, 7; Sjoblom Affidavit, paragraphs 3, 4, 7-9, 17.

^{79/} Sjoblom Affidavit, paragraph 18.

V. CONCLUSION

Because the USR companies have failed to carry their burden of showing likelihood of success on the merits, irreparable harm, lack of effect on third parties, and where the public interest lies, this Licensing Board should deny the USR companies' motion for a stay, and should lift the stay granted during the prehearing conference held by telephone on October 27, 1989. The staff notes that the USR companies do not request a stay of the March Order. Even if the Board grants a stay of the August Order, the staff urges the Board to lift the stay granted during the October 27 prehearing conference insofar as it applies to the March Order.

Respectfully submitted,

Robert M. Weisman
Robert M. Weisman
Counsel for NRC Staff

Dated at Rockville, Maryland
this 16th day of November, 1989

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

89 NOV 17 A9:56

BEFORE THE ATOMIC SAFETY AND LICENSING BOARD

In the Matter of

SAFETY LIGHT CORPORATION
UNITED STATES RADIUM CORPORATION
USR INDUSTRIES, INC.
USR LIGHTING, INC.
USR CHEMICALS, INC.
USR METALS, INC.
U.S. NATURAL RESOURCES, INC.
LIME RIDGE INDUSTRIES, INC.
METREAL, INC.
(Bloomsburg Site Decontamination)

Docket Nos.: 030-05980
030-05982
030-05981
030-08335
030-08444

(ASLBP No. 89-590-01-0M)
(ASLBP No. 90-598-01-0M-2)

CERTIFICATE OF SERVICE

I hereby certify that copies of "NRC STAFF'S RESPONSE TO MOTION OF USR INDUSTRIES, INC., USR LIGHTING, INC., USR CHEMICALS, INC., USR METALS, INC., AND U.S. NATURAL RESOURCES, INC. TO STAY THE ORDER ISSUED AUGUST 21, 1989" in the above-captioned proceeding have been served on the following by deposit in the United States mail, first class, or as indicated by an asterisk through deposit in the Nuclear Regulatory Commission's internal mail system, or by messenger as indicated by double asterisk this 16th day of November, 1989:

Helen Hoyt, Esq.**
Administrative Judge
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Frederick J. Shon**
Administrative Judge
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, D. C. 20555

Atomic Safety and Licensing Appeal
Panel (5)*
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Dr. Oscar H. Paris**
Administrative Judge
Atomic Safety and Licensing Board
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Atomic Safety and Licensing Board
Panel (1)*
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Adjudicatory File (2)*
Atomic Safety and Licensing Board
Panel
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Office of the Secretary(2)*
U.S. Nuclear Regulatory Commission
Washington, DC 20555
Attn: Docketing and Service Section

Mr. William T. Russell
Regional Administrator
U.S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, PA 19406

Mr. Ralph T. McElvenny
USR Industries, Inc.
550 Post Oak Blvd.
Suite 550
Houston, TX 77027

D. Jane Drennan, Esq.**
Wunder, Ryan, Cannon & Thelen
1615 L. St., N.W. Suite 650
Washington, D.C. 20036

Gerald Charnoff, Esq.**
Shaw, Pittman, Potts & Trowbridge
2300 N. Street, N.W.
Washington, DC 20037

Robert M. Weisman

Robert M. Weisman
Counsel for NRC Staff

ATTACHMENT 1

Form AEC-313
8-64
10 CFR 20

UNITED STATES ATOMIC ENERGY COMMISSION
APPLICATION FOR BYPRODUCT MATERIAL LICENSE

Form approved
Budget Bureau No. 26-2857

INSTRUCTIONS - Complete Items 1 through 16 if this is an initial application or an application for renewal of a license. Information contained in previous applications filed with the Commission with respect to Items 8 through 15 may be incorporated by reference provided references are clear and specific. Use supplemental sheets where necessary. Item 16 must be completed on all applications. Mail two copies to U.S. Atomic Energy Commission, Washington, D.C. 20545, Attention: Isotope Branch, Division of Materials Licensing. Upon approval of this application, the applicant will receive an AEC Byproduct Material License. An AEC Byproduct Material License is issued in accordance with the general requirements contained in Title 10, Code of Federal Regulations, Part 20, and the license is subject to Title 10, Code of Federal Regulations, Part 20.

1 (a) NAME AND STREET ADDRESS (Include ZIP Code) (b) STREET ADDRESS(ES) AT WHICH BYPRODUCT MATERIAL WILL BE USED (If different from 1 (a) include ZIP Code)

United States Radium Corp.
4150 Old Berwick Rd.
Bloomsburg, Pennsylvania 17815

2 DEPARTMENT TO USE BYPRODUCT MATERIAL

Nuclear Division

3 PREVIOUS LICENSE NUMBERS (If this is an application for renewal of a license, please indicate and give number.)

37-00030-02 (renewal)

4 INDIVIDUAL USER(S) (Name and title of individual(s) who will use or directly supervise use of byproduct material. Give training and experience in Items 8 and 9.)

D.B.Cowan Mgr., Gas filling dept.

G.E.Widger Mgr., Isolite assembly dept.

I.W.Allan Mgr., Foil preparation dept.

5 RADIATION PROTECTION OFFICER (Name of person designated as radiation protection officer if other than individual user. Attach resume of his training and experience in Items 8 and 9.)

J. D. McGraw

6 (a) BYPRODUCT MATERIAL (Element and mass number of each)

Any byproduct material with Atomic Numbers between 3 and 83, inclusive.

Hydrogen 3 Any
Polonium 210 Any
Actinium 227 Any
Neptunium 237 Any
Americium 241 Any

(b) CHEMICAL AND OR PHYSICAL FORM AND MAXIMUM NUMBER OF MILLICURIES OF EACH CHEMICAL AND/OR PHYSICAL FORM THAT YOU WILL POSSESS AT ANY ONE TIME (If sealed sources, also state name of manufacturer, model number, number of sources and maximum activity per source.)

100 millicuries each except:
Carbon 14 0.5 curie
Cobalt 60 50 curies
Nickel 63 5 curies
Krypton 85 1500 curies
Strontium 90 100 curies
Ruthenium 106 1 curie
Cesium 137 250 curies
Cerium 144 5 curies
Promethium 147 100 curies
Thallium 204 25 curies
40,000 curies
15 curies
1 curie
0.01 curie
32 curies

7 DESCRIBE PURPOSE FOR WHICH BYPRODUCT MATERIAL WILL BE USED (If byproduct material is for human use, supplement A (Form AEC-313a) must be completed in lieu of this item. If byproduct material is in the form of a sealed source, include the make and model number of the storage container and/or device in which the source will be stored and/or used.)

- Decontamination, clean-up and disposal of areas previously used for research, development and processing under this license.
- Distribution to authorized recipients of material of value that are not radioactive scrap.

TRAINING AND EXPERIENCE OF EACH INDIVIDUAL NAMED IN ITEM 1 (Use supplemental sheets if necessary)

8. TYPE OF TRAINING	WHERE TRAINED	LOCATION OF TRAINING	ON THE JOB (Circle answer)		FORMAL COURSE (Circle answer)	
			Yes	No	Yes	No
a. Principles and practices of radiation protection	See Item 8 attachment.		Yes	No	Yes	No
b. Radioactivity measurements, standardization and monitoring techniques and instruments	See Item 8 attachment.		Yes	No	Yes	No
c. Mathematics and calculations basic to the use and measurement of radioactivity	See Item 8 attachment.		Yes	No	Yes	No
d. Biological effects of radiation	See Item 8 attachment.		Yes	No	Yes	No

9. EXPERIENCE WITH RADIATION (Actual use of radioisotopes or equivalent experience)

ISOTOPE	MAXIMUM AMOUNT	WHERE EXPERIENCE WAS GAINED	DURATION OF EXPERIENCE	TYPE OF USE
See Item 8 attachment.				

10. RADIATION DETECTION INSTRUMENTS (Use supplemental sheets if necessary)

TYPE OF INSTRUMENTS (include make and model number of each)	NUMBER AVAILABLE	RADIATION DETECTED	SENSITIVITY RANGE (m. r.)	WINDOW THICKNESS (mg/cm ²)	USE (Monitoring, surveying, measuring)
See Item 10 attachment.					

11. METHOD, FREQUENCY, AND STANDARDS USED IN CALIBRATING INSTRUMENTS LISTED ABOVE

See Item 11 attachment

12. FBM BADGES, DOSIMETERS, AND BIO-ASSAY PROCEDURES USED (For film badges, specify method of calibrating and processing, or name of supplier)

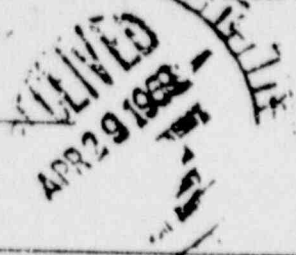
See letter USRO to Mr. R. E. Brinkman 5-20-65 (with attachment).

INFORMATION TO BE SUBMITTED ON ADDITIONAL SHEETS IN DUPLICATE

- 13. FACILITIES AND EQUIPMENT Describe laboratory facilities and remote handling equipment, storage containers, shielding, fume hoods, etc. Explanatory sketch of facility is attached (Circle answer) Yes No
See above letter (with attachment)
- 14. RADIATION PROTECTION PROGRAM Describe the radiation protection program including control measures, application, known sealed sources, submit test testing procedures where applicable, name, training, and experience of person to perform leak test, and arrangements for performing initial radiation survey, servicing, maintenance and repair of the source
See attached copy HSOP 27.
- 15. WASTE DISPOSAL If a commercial waste disposal service is employed, specify name of company. Otherwise, submit detailed description of methods which will be used for disposing of radioactive wastes and estimates of the type and amount of activity involved
Nuclear Engineering Co., Morehead, Ky.

16. THE APPLICANT AND ANY OFFICIAL EXECUTING THIS CERTIFICATE ON BEHALF OF THE APPLICANT NAMED IN ITEM 1, CERTIFY THAT THIS APPLICATION IS PREPARED IN CONFORMITY WITH TITLE 10, CODE OF FEDERAL REGULATIONS, PART 30, AND THAT ALL INFORMATION CONTAINED HEREIN, INCLUDING ANY SUPPLEMENTS ATTACHED HERETO, IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF.

Date April 25, 1959



UNITED STATES RADIUM CORP.
 Applicant named in Item 1
 By: *O. L. Olson*
 O. L. Olson
 Title of Certifying Official, Nuclear Division

WARNING.— 18 U. S. C., Section 1001, Act of June 25, 1948, 62 Stat. 749, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States or to any matter within its jurisdiction.

U. S. ATOMIC ENERGY COMMISSION License No. 37-00030-01
BYPRODUCT MATERIAL LICENSE Page 1 of 2 Pages
 Amendment No. 36

Pursuant to the Atomic Energy Act of 1954 and Title 10, Code of Federal Regulations, Chapter 1, Parts 30, 32, 33, 34, and 35, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, own, possess, transfer and import byproduct material listed below, and to use such byproduct material for the purpose(s) and at the place(s) designated below. This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, and is subject to all applicable rules, regulations, and orders of the Atomic Energy Commission now or hereafter in effect and to any conditions specified below.

Licensee	In accordance with letter dated March 14, 1969,
1. United States Radium Corporation	3. License number 37-00030-02 is amended in its entirety to read as follows:
2. 4150 Old Berwick Road Bloomsburg, Pennsylvania 17015	4. Expiration date July 31, 1970
	5. Reference No.

6. Byproduct material (element and mass number)	7. Chemical and/or physical form	8. Maximum amount of radioac- tivity which licensee may possess at any one time
A. Any byproduct material	A. Contaminated facilities and equipment	A. See Item 9.A. below

9. Authorized use

- A. Decontamination, clean-up and disposal of equipment and facilities previously used for research, development, and processing under this license.

CONDITIONS

10. Byproduct material may only be used at the licensee's address stated in Item 2 above.
11. The licensee shall comply with the provisions of Title 10, Chapter 1, Code of Federal Regulations, Part 20, "Standards for Protection Against Radiation."
12. Byproduct material shall be used by, or under the supervision of, D. B. Cowen, C. E. Widger, I. W. Allam, or J. D. McGraw.

CONDITIONS

Amendment No. 36

(Continued)

- 13. Except as specifically provided otherwise by this license, the licensee shall possess and use byproduct material described in Items 6, 7, and 8 of this license in accordance with statements, representations, and procedures contained in application dated April 25, 1969 and letter dated July 23, 1969, signed by O. L. Olson.

For the U. S. Atomic Energy Commission

Original Signed by
Robert E. Brinkman

by Isotopes Branch

Division of Materials Licensing
Washington, D. C. 20545

AUG 5 1969

8-8

R-E/B *[Signature]*

U. S. NUCLEAR REGULATORY COMMISSION
MATERIALS LICENSE

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations, Chapter 1, Parts 30, 31, 32, 33, 34, 35, 36, 40 and 70, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purposes and at the places designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s); and to import such byproduct and source material. This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

Licensee		
1. United States Radium Corporation		In accordance with application dated June 7, 1977
2. 4150 Old Berwick Road Bloomsburg, Pennsylvania 17815		
		3. License number 37-00030-02 is amended in its entirety to read as follows:
		4. Expiration date February 29, 1984
		5. Docket or Reference No.
6. Byproduct, source, and/or special nuclear material	7. Chemical and/or physical form	8. Maximum amount that licensee may possess at any one time under this license
A. Any byproduct material	A. Contaminated facilities and equipment	A. See Item 9.A. below

9. Authorized use

- A. Decontamination, cleanup, and disposal of equipment and facilities previously used for research and development under this license.

CONDITIONS

10. Licensed material shall be used only at the licensee's address stated in Item 2 above.
11. The licensee shall comply with the provisions of Title 10, Chapter 1, Code of Federal Regulations, Part 19, "Notices, Instructions and Reports to Workers; Inspections" and Part 20, "Standards for Protection Against Radiation."
12. Operations shall be conducted by, or under the supervision of, R. E. Bickert or J. D. McGraw.
13. A report of status and schedule of work for the 12 months period commencing July 1 shall be submitted no later than July 1.

U. S. NUCLEAR REGULATORY COMMISSION
MATERIALS LICENSE
Supplementary Sheet

License Number 37-00030-02

Docket or
Reference No. _____
Amendment No. 40

(continued)

- 14. Except as specifically provided otherwise by this license, the licensee shall possess and use licensed material described in Items 6, 7, and 8 of this license in accordance with statements, representations, and procedures contained in application dated April 25, 1969; letter dated July 23, 1969, and application dated June 7, 1977 as amended October 23, 1978.

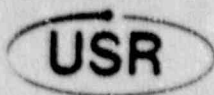
NBS 1/25/79

Date JAN 25 1979

For the U. S. Nuclear Regulatory Commission
Original Signed by
NATHAN BASSIN
License Management Branch

NBS/ua

Division of Fuel Cycle and
Material Safety
Washington, D.C. 20555 *SM 1*



UNITED STATES RADIUM CORPORATION ³⁵⁵⁴

4150 OLD BERWICK ROAD/BLOOMSBURG, PENNSYLVANIA 17815 / (717) 784-3510

October 23, 1978

Radioisotopes Licensing Branch
 Division of Fuel Cycle and Material Safety
 U. S. Nuclear Regulatory Commission
 396SS Washington, D. C. 20555

Attention: Mr. Frederick Combs
 Reference: USNRC License 37-00030-02
 Docket No. 87910

Dear Mr. Combs:

Enclosed is the information you requested in your letter of June 9, 1978. Specific operations are scheduled only through June of 1979. At this time, a complete evaluation of survey results collected will be carried out to determine further operations.

Very truly yours,

UNITED STATES RADIUM CORPORATION

Terry D. Brown
 Nuclear Operations Manager

TDB
 jrn

Enc.

CERT. MAIL -rrr
 CC: USNRC

**COPIES SENT TO OFF. OF
 INSPECTION AND ENFORCEMENT**

DECONTAMINATION PROGRAM
U. S. RADIUM CORPORATION
BLOOMSBURG FACILITY

PART I

PRESENT STATUS

PREFACE

With the conclusion of the decontamination of the primary facilities utilized in activities licensed under USAEC License 37-00030-02, a survey of the entire plant was begun. This survey, carried out over a period of three years, included every building on the site regardless of whether radioactive materials had been processed in them or not. The purpose of the plant survey was to identify, to the best of our ability, the status of the entire plant site. The survey was not designed to determine the full extent of any contamination found in a specific area, but rather to determine what areas or buildings did have any significant levels of contamination, and a rough estimate of the work and equipment needed to carry out such decontamination. This type of survey was sorely needed because records of the early history of radioactives operations on the site (1948 - 1956) were incomplete. The following pages show the results of that survey and represent the present status of our site. DPM values are per a nominal 50-100 cm².

AREA #1 - MAIN BUILDING

The former Hand Painting department occupied the second floor front of this building. The area itself has been completely decontaminated. However, the attic above this area still contains the contaminated exhaust ducts for the old radium painting operations. In addition, there is widespread alpha contamination on rafters, ceiling joists, and underside of the roof. Levels of contamination range up to 20,000 DPM. Between the floor of the former Hand Painting department and the ceiling below there is lower level alpha contamination, on the order of 200-600 DPM.

The only other known contamination remaining in this building is a drain line from a Strontium-90 production operation which was removed in the early 1950's. There is no measurable radiation coming up through the floor. However, there is no way to determine the extent of the contamination (if any) within the drain line. The drain is not in use, and hasn't been used for some twenty years.

AREA #2 - ETCHING BUILDING

The former shipping room in this building once housed radium screening machines. There is low level fixed alpha contamination on the floor (200-600 DPM). There are higher levels in certain cracks around the cement pads on which the radium screening machines once stood (200-2000 DPM). The entire floor has been covered with plywood and is used only for storage of little used materials. Removable alpha contamination has not been found in the area since the plywood was laid down. It is suspected that the soil beneath the wooden floor may also have low level contamination in it; however, radiation levels show no gamma radiation above background in this area.

The former Watch Dial screen rooms and drain line in this building were used for applying Tritium to watch dials in large sheets. Although the operation was moved to the Nuclear Building in 1969, the area has only been partially decontaminated. Levels of Tritium removable contamination range from 5000-50000 DPM. The exhaust ducts, absolute filter bank, blower and discharge stack for the former Watch Dial screen rooms are still intact. Contamination levels in these areas are unknown.

The attic of the building has scattered spots of low level alpha contamination (200-1000 DPM).

The maintenance wire enclosure has a 12" thick concrete floor poured over an old radium drain. Radiation levels in the enclosure are background.

AREA #3 - TRITIUM BUILDING

The Tritium building originally housed the equipment used for making Tritium foil. This equipment was moved to the Nuclear building in 1969. Surveys of this building over the past nine years have shown a steady decrease in removable Tritium contamination from 50,000 - 80,000 DPM in 1969, to its present 8,000-10,000 DPM.

AREA #4 - PIPE SHOP

Radon samples taken in 1973 showed excessive levels of radon (in excess of 3 X mpc). Surveys showed 200-400 DPM removable alpha uniformly distributed over every interior surface of the building. Although no radioactive operations have ever been performed in this building, it extends over an area that was used as a plant dump in the late forties.

AREA #5 - RADIUM VAULT

This building was formerly used for storage and handling of radium bromide, radium foil and radium radiation sources. When closed off in 1970, contamination levels were 1,000-50,000 DPM fixed alpha and 50-200 DPM removable alpha. Radiation levels at some places in the building were 0.1-0.3 mR/hr beta-gamma.

AREA #6 - SOLUTIONS VAULT

This building was used for handling certain radioactive solutions and for storage of certain high-level radiation sources. Recent surveys have shown that there is no detectable removable alpha or beta-gamma. The building is presently being used for storage.

AREA #7 - SEALED SOURCES VAULT

This small building was used only for the storage of certain sealed sources; however, some contamination has been found in and around the floor and door of the building. The last surveys showed less than 0.25 mR/hr beta-gamma.

AREA #8 - OLD GARAGE

Originally used as the waste disposal building, this structure has been vacant since the late 1950's. The dirt is contaminated (200-2,000 DPM alpha and 0-0.4 mR/hr beta-gamma).

AREA #9 - SILO

The silo was used solely for the remote storage of certain types of high-level sources. Contamination is basically background; however, a thorough survey has not been conducted.

AREA #10 - OLD HOUSE

This structure has been used for the storage of many low-level contaminated items over the years. Low-level alpha contamination (200-1,000 DPM) is widespread in certain areas of the building.

AREA #11 - PERSONNEL OFFICE

In the basement of the former personnel office is an old well of some sort that was apparently used for waste disposal purposes. No records are available as to what was disposed of in this well - by whom, why or when. It apparently has a concrete cap. Radiation levels over the cap are 0-0.25 mR/hr beta-gamma.

AREA #12 - BURIAL PITS

Originally licensed for the disposal of low-level wastes in 1956, there are no records in existence of how these burial sites are constructed, nor of what is buried in them. Radiation levels at soil level range from background to 0.6 mR/hr beta-gamma. These pits were under water during the flood of 1972; however, there has been no significant change in radiation levels during or after the flood.

AREA #13 - PLANT DUMP at Southwest Corner of Property

Originally found in 1970, some decontamination has been carried out in this area. Present radiation levels are less than 0.6 mR/hr beta-gamma.

AREA #14 - PLANT DUMP between Lagoons

This area was found during the installation of a new storm sewer in 1972. Radiation levels are approximately several thousand CPM beta only. There appears to be little or no associated gamma.

AREA #15 - CEMENT TROUGH, SEWER AND GRATE

Source of contamination of these items is unknown. Contamination levels are 200-2,000 DPM alpha.

AREA #16 - EAST LAGOON

The full extent of contamination in this pond is difficult to ascertain due to the water and mud in the pond. Underwater surveys with a waterproof probe show radiation levels range from background to 4 mR/hr gamma.

ARFA #17 - CONTAMINATED SOIL UNDER OLD LOADING DOCK

This area was formerly the main access to the alpha laboratory for the removal of radioactive waste and other large items. The soil beneath it is relatively inaccessible; however, the limited surveys possible indicate contamination levels ranging from background to 2 mR/hr beta-gamma.

AREA #18 - CONTAMINATED SOIL BY SILO FENCE

This contaminated area adjoins the old garage formerly used for waste disposal. Radiation levels range from background to 0.6 mR/hr beta-gamma.

AREA #19 - CONTAMINATED SOIL BY TRITIUM BUILDING

A small area of soil near the front of Area #3 has a radiation level of approximately 0.6 mR/hr beta-gamma.

AREA #20 - CONTAMINATED SOIL EAST OF LAGOONS

This is a large area of soil completely covered with heavy undergrowth. Radiation levels range from background to 0.6 mR/hr beta-gamma.

AREA #21 - CARPENTER SHOP

This building was used for storage of radium in the late forties and early fifties. One wall is known to be contaminated with 10,000 to 50,000 DPM alpha and 1-2 mR/hr beta-gamma.

AREA #22 - SIDEWALKS

At various times in the past, contamination has been found at isolated points on the exterior walkways on the site. This has generally been 200-2,000 DPM alpha with no detectable beta-gamma.

AREA #23 - FORMER CANAL BANK

At one time, there were additional lagoons on the site. These were decontaminated in the early sixties. However, no records of residual levels of contamination exist.

AREA #24 - CONTAMINATED DRAINS

A number of contaminated drains left from old radioactive operations remain on the site. The extent of contamination in these lines is unknown.

AREA #25 - FORMER EXIT SIGN ASSEMBLY AREA

This area in the Etching building was used for the assembly and storage of exit signs containing Tritium. Brief surveys showed no detectable contamination; however, a thorough survey remains to be done.

AREA #26 - FORMER CESIUM ION-EXCHANGE HUT

This building formerly housed the ion-exchange columns used to treat waste water from the Cesium laboratory. While gross contamination has been removed, survey records are incomplete.

PART II

PROPOSED SCHEDULE FOR
FURTHER SURVEY AND DECONTAMINATION
OPERATIONS

PREFACE

Based upon the site contamination status contained in Part I of this program, a tentative schedule for the decontamination program has been developed covering the next nine months. It will be modified by considerations such as weather conditions and survey results.

In June of 1979, a schedule for the next twelve months will be developed, based upon new survey results and any other new information available.

OCTOBER THROUGH DECEMBER, 1978

- Area 9 - Survey silo to determine nature of decontamination efforts necessary.
- Area 12 - Take three core samples in vicinity of old burial pits and establish permanent wells for continuing samples of ground water and sub-surface radiation levels.
- Area 14 - Excavate contaminated soil between lagoons.
- Area 15 - Decontaminate cement trough and storm sewer. Replace if necessary.
- Area 18 - Survey to determine extent of area involved. Take core samples by hand.
- Area 19 - Remove contaminated soil by Tritium building.
- Area 21 - Remove contaminated wall in carpenter shop.
- Area 22 - Survey all external plant walkways.

JANUARY THROUGH JUNE, 1979

- Area 2 -
 - (a) Decontaminate former shipping room.
 - (b) Survey former Watch Dial screen rooms, exhaust ducts, filter bank and plenum chamber.
 - (c) Survey attic to determine exact location of contaminated areas.
- Area 5 - Reopen and survey old radium vault.
- Area 7 - Decontaminate sealed sources vault.
- Area 8 - Decontaminate old garage.
- Area 23 - Survey canal bank.

OCT 6 1978

United States Radiam Corporation
Attn: Mr. J. David Grant
418. Blu Benwick Road
Bloomsburg, PA 17015

Gentlemen:

This refers to your request for renewal of License No. 37-00030-02 and our request for additional information dated June 9, 1978, a copy of which is enclosed. A check of our files indicates that we have not received a response from you to date. If we do not receive a reply within 30 days, it may be necessary to deny your application and terminate your license. Such action would require that you divest yourself of all licensed material.

Sincerely,

Frederick Combs
Radioisotopes Licensing Branch
Division of Fuel Cycle and
Material Safety

Enclosure:
As stated

CA 10/6/78

2500
UNITED STATES RADIUM CORPORATION

4150 OLD BERWICK ROAD / BLOOMSBURG PENNSYLVANIA 17815 / (717) 784-3510

June 22, 1978

Radioisotopes Licensing Branch
Division of Fuel Cycle and Material
Safety
U.S. NUCLEAR REGULATORY COMMISSION
Washington, D. C. 20555

Attn: Mr. Frederick Combs

Ref.: FCRC-FC (7910)

Dear Mr. Combs:

We have received your letter of June 9, 1978.

The information you have requested is being prepared.

Preparation and submission of a detailed report, and our present and future programs should be completed by October 31, 1978.

Very truly yours,

UNITED STATES RADIUM CORPORATION

A handwritten signature in dark ink, appearing to read 'E. B. Fisher', written over a horizontal line.

E. B. Fisher
Chairman and Chief Executive Officer

EBF:dc

COPIES SENT TO OFF. OF
INSPECTION AND ENFORCEMENT

JUN 9 1978

FCRL:FC
(87910)

United States Radium Corporation
ATTN: Mr. J. David McGraw
4150 Old Berwick Road
Bloomsburg, PA 17815

Gentlemen:

This refers to your application dated June 7, 1977, for renewal of License No. 37-00032-02, authorizing decontamination of your former research development and processing facilities. We request that you supplement your application with a detailed report concerning the status of your decontamination efforts. This report should identify those areas which are still contaminated and the types and quantities of contamination in those areas, provide a description of your current program for surveying these areas and surrounding environs, and outline your plan for completing decontamination of this facility.

We shall continue review of your application upon receipt of the above information, in duplicate.

Sincerely,

Frederick Coombs
Radioisotopes Licensing Branch
Division of Fuel Cycle and
Material Safety

CRESS:WILL	OFFICE	FCRL				
MC#137426	SURNAME	FCRL:cb				
6/8/78	DATE	6/9/78				



UNITED STATES RADIUM CORPORATION
4150 OLD BERWICK ROAD/BLOOMSBURG PENNSYLVANIA 17815 / (717) 784-3510

June 7, 1977



Radioisotope Licensing Branch
Division of Fuel Cycle and
Material Safety
U. S. NUCLEAR REGULATORY COMMISSION
Washington, D. C. 20555

Ref.: License No. 37-00030-02

Gentlemen:

Enclosed are the required duplicate copies of Form
AEC-313 requesting renewal of the above-referenced license.

If further information is required, please contact the
undersigned.

Respectfully yours,

UNITED STATES RADIUM CORPORATION

J. David McGraw

J. David McGraw
Radiation Safety Officer

JDMcG
jrn

Encs.

CERT. MAIL ret.rec.req.

COPIES SENT TO OFF. OF
INSPECTION AND ENFORCEMENT

87910

UNITED STATES ATOMIC ENERGY COMMISSION
APPLICATION FOR BYPRODUCT MATERIAL LICENSE

INSTRUCTIONS—Complete items 1 through 16 if this is an initial application or an application for renewal of a license. Information contained in previous applications filed with the Commission with respect to items 8 through 15 may be incorporated by reference provided references are clear and specific. Use supplemental sheets where necessary. Item 16 must be completed on all applications. Mail two copies to: U.S. Atomic Energy Commission, Washington, D.C., 20545, Attention: Materials Branch, Directorate of Licensing. Upon approval of this application, the applicant will receive an AEC Byproduct Material License. An AEC Byproduct Material License is issued in accordance with the general requirements contained in Title 10, Code of Federal Regulations, Part 30, and the Licensee is subject to Title 10, Code of Federal Regulations, Part 20, and the license fee provisions of Title 10, Code of Federal Regulations, Part 170. The license fee category should be stated in Item 16 and the appropriate fee enclosed. (See Note in Instruction Sheet.)

1 (a) NAME AND STREET ADDRESS OF APPLICANT (Institution, firm, hospital, person, etc. include ZIP Code and telephone number.) U. S. Radium Corporation 4150 Old Berwick Road Bloomsburg, Pa. 17815	(b) STREET ADDRESS(ES) AT WHICH BYPRODUCT MATERIAL WILL BE USED (If different from 1(a), include ZIP Code.)
---	---

2 DEPARTMENT TO USE BYPRODUCT MATERIAL Health Physics	3 PREVIOUS LICENSE NUMBER(S) (If this is an application for renewal of a license, please indicate and give number.) 37-00030-02 (renewal)
--	--

4 INDIVIDUAL USER(S) (Name and title of individual(s) who will use or directly supervise use of byproduct material. Give training and experience in items 8 and 9.) R. E. Bickert J. D. McGraw	5 RADIATION PROTECTION OFFICER (Name of person designated as radiation protection officer if other than individual user. Attach resume of his training and experience as in items 8 and 9.) J. D. McGraw
--	---

6 (a) BYPRODUCT MATERIAL (Element and mass number of each.) Any byproduct material	(b) CHEMICAL AND/OR PHYSICAL FORM AND MAXIMUM NUMBER OF MILLICURIES OF EACH CHEMICAL AND/OR PHYSICAL FORM THAT YOU WILL POSSESS AT ANY ONE TIME (If sealed source(s), also state name of manufacturer, model number, number of sources and maximum activity per source.) Contaminated facilities and equipment
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7. DESCRIBE PURPOSE FOR WHICH BYPRODUCT MATERIAL WILL BE USED. (If byproduct material is for "human use," supplement A (Form AEC-313a) must be completed in lieu of this item. If byproduct material is in the form of a sealed source, include the make and model number of the storage container and/or device in which the source will be stored and/or used.)

Decontamination, cleanup and disposal of equipment and facilities previously used for research, development, and processing under this license.

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INSPECTION AND ENFORCEMENT

87910

TRAINING AND EXPERIENCE OF EACH INDIVIDUAL NAMED IN ITEM 1 (Use supplemental sheets if necessary)

8 TYPE OF TRAINING	WHERE TRAINED	DURATION OF TRAINING	ON THE JOB (Circle answer)		FEDERAL COURSE (Circle answer)	
			Yes	No	Yes	No
a Principles and practices of radiation protection	Items 8 thru 15		Yes	No	Yes	No
b Radioactivity measurement standardization and monitoring techniques and instruments	see application dated Oct. 18, 1974, signed by J. David McGraw		Yes	No	Yes	No
c Mathematics and calculations basic to the use and measurement of radioactivity	supporting renewal of license 37-00030-08.		Yes	No	Yes	No
d Biological effects of radiation			Yes	No	Yes	No

9 EXPERIENCE WITH RADIATION (Actual use of radioisotopes or equivalent experience)

ISOTOPE	MAXIMUM AMOUNT	WHERE EXPERIENCE WAS GAINED	DURATION OF EXPERIENCE	TYPE OF USE

10 RADIATION DETECTION INSTRUMENTS (Use supplemental sheets if necessary)

TYPE OF INSTRUMENTS (include make and model number of each)	NUMBER AVAILABLE	RADIATION DETECTED	SENSITIVITY RANGE (mR/hr)	WINDOW THICKNESS (mg/cm ²)	USE (Monitoring, surveying, measuring)

11 METHOD, FREQUENCY, AND STANDARDS USED IN CALIBRATING INSTRUMENTS LISTED ABOVE

12 FILM BADGES, DOSIMETERS, AND BIO-ASSAY PROCEDURES USED (For film badges, specify method of calibrating and processing, or name of supplier)

INFORMATION TO BE SUBMITTED ON ADDITIONAL SHEETS IN DUPLICATE

- 13 FACILITIES AND EQUIPMENT Describe laboratory facilities and remote handling equipment, storage containers, shielding, fume hoods, etc. Explanatory sketch of facility is attached. (Circle answer) Yes No
- 14 RADIATION PROTECTION PROGRAM Describe the radiation protection program including control measures. If application covers sealed sources, submit leak testing procedures where applicable, name, training, and experience of person to perform leak tests, and arrangements for performing initial radiation survey, servicing, maintenance and repair of the source.
- 15 WASTE DISPOSAL If a commercial waste disposal service is employed, specify name of company. Otherwise, submit detailed description of methods which will be used for disposing of radioactive wastes and estimates of the type and amount of activity involved.

CERTIFICATE (This item must be completed by applicant)

16 THE APPLICANT AND ANY OFFICIAL EXECUTING THIS CERTIFICATE ON BEHALF OF THE APPLICANT NAMED IN ITEM 1, CERTIFY THAT THIS APPLICATION IS PREPARED IN CONFORMITY WITH TITLE 10, CODE OF FEDERAL REGULATIONS, PART 30, AND THAT ALL INFORMATION CONTAINED HEREIN, INCLUDING ANY SUPPLEMENTS ATTACHED HERETO, IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF.

License Fee Category \$ _____
 Fee Enclosed \$ _____
 Date June 7, 1977

20 E. I. ...
 UNITED STATES RADIUM CORPORATION
 Applicant named in item 1
 By: J. David McGraw
 J. David McGraw
 Radiation Safety Officer
 Title of certifying officer: _____

WARNING.—18 U. S. C., Section 1001, Act of June 25, 1948, 62 Stat. 749, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

ATTACHMENT 2

LIB copy

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EEB 11 1981

LISTING APPLICATION NO. 12145

AMERICAN STOCK EXCHANGE, INC.

The Listing Application of USR Industries, Inc., which is set forth below, was approved on August 21, 1980.

The papers and exhibits submitted by the Corporation in support of its application are available for inspection at the Library of the Exchange.

51

USR INDUSTRIES, INC.

(Incorporated under the laws of the State of Delaware on May 14, 1980)

Common Stock, \$1.00 Par Value

Morristown, New Jersey
August 6, 1980
(Amended August 27, 1980)*

Substitutional Listing:
(For Common Stock of UNITED STATES RADIUM CORPORATION ("USR"), previously listed)

USR Industries, Inc. (the "Corporation") hereby makes application to the American Stock Exchange, Inc. (the "Exchange") for the listing of:

1,164,136 shares of Common Stock, par value \$1.00 per share (the "Common Stock"), issued August 27, 1980 upon effectiveness of the merger (the "Merger") contemplated by the Agreement and Plan of Merger dated as of May 16, 1980 (the "Merger Agreement") described herein and in the attached Prospectus of the Corporation and Proxy Statement of USR dated July 11, 1980 (the "Prospectus and Proxy Statement") in substitution for a like number of previously listed and outstanding shares of common stock, par value \$1.00 per share, of USR;

making a total of 1,164,136 shares of Common Stock, the listing of which is hereby applied for (of a total authorized issue of 3,500,000 shares).

All of the shares of Common Stock for which listing is applied for are fully paid and non-assessable, and no personal liability will attach to the ownership thereof.

* Amended to reflect effectiveness of the Merger.

Reference is made to USR's previous listing applications, the most recent of which was approved on February 12, 1980 (No. 11982).

The common stock of USK is presently listed on the Exchange.

Upon official notice of the effectiveness of the Merger hereinafter described and upon admission of the Common Stock of the Corporation to dealings on the Exchange, dealings in common stock of USR on the Exchange were terminated.

PROSPECTUS AND PROXY STATEMENT

Attached hereto and incorporated herein by reference is a copy of the Prospectus and Proxy Statement which was mailed to USR's stockholders in connection with the solicitation of proxies for the Annual Meeting of Stockholders held on August 6, 1980 (the "Annual Meeting") for the purpose, among other things, of voting on the Merger described herein and in the attached Prospectus and Proxy Statement.

The Merger Agreement and the Certificate of Incorporation of the Corporation are included as exhibits to the Prospectus and Proxy Statement.

CAPITALIZATION

The following table sets forth the capitalization of the Corporation as of August 6, 1980, after giving effect to the Merger.

Class Par Value	Number of Shares			Listing Applied For
	Authorized by Charter	Authorized For Issuance	Outstanding	
Common Stock \$1.00 Par Value	3,500,000	1,264,136	1,164,136	1,164,136

Unissued Reserved Shares:

The Corporation has reserved 100,000 shares of Common Stock for issuance upon exercise of stock options granted to two directors of the Corporation. The options were originally granted by USR and approved by the stockholders of USR in 1979, but by the terms of the option agreements, as amended, the options will be exercisable only for shares of Common Stock of the Corporation on and after the effective date of the Merger. These 100,000 shares have not been approved for listing.

No additional unissued shares of Common Stock are reserved for issuance for any specified purpose.

The 100 shares of the Corporation initially issued upon incorporation of the Corporation were cancelled upon effectiveness of the Merger.

LONG-TERM DEBT

The Corporation has no issue or series of funded or long-term debt. USR (a wholly-owned subsidiary of the Corporation whose name will be changed to Safety Light Corporation) has long-term obligations under a capital lease (excluding current installments) which totalled \$1,325,858 as of March 29, 1980.

AUTHORITY FOR AND PURPOSE OF ISSUANCE

As to the 1,164,136 Substitutional Shares:

The Corporation was initially formed as a wholly-owned subsidiary of USR. Pursuant to the terms of the Agreement and Plan of Merger dated as of May 16, 1980 by and between USR, the Corporation and Industries Merger Co. Inc. ("Merger Company", a Delaware corporation organized as a nominally-capitalized, wholly-owned subsidiary of the Corporation to be a constituent corporation in the Merger), Merger Company was merged into USR effective August 27, 1980 and the shares of common stock, \$1.00 par value, of USR were exchanged, share-for-share, for shares of Common Stock, \$1.00 par value, of the Corporation, with the result that USR (whose name will be changed to "Safety Light Corporation") became a wholly-owned subsidiary of the Corporation.

The Boards of Directors of USR, the Corporation and Merger Company approved the Merger Agreement on May 15, 1980. On July 2, 1980, the Board of Directors of the Corporation authorized the issuance of the Common Stock and the listing of the Common Stock on the Exchange.

The Merger Agreement was approved by a majority of the outstanding shares of USR entitled to vote thereon at the Annual Meeting of Stockholders of USR held on August 6, 1980.

Reference is made to the Prospectus and Proxy Statement incorporated by reference herein for additional information concerning the authority for and purpose of issuance of the shares of the Common Stock of the Corporation for which application for listing is being made. The Merger Agreement and the Certificate of Incorporation of the Corporation are included as exhibits to the Prospectus and Proxy Statement.

OPINION OF COUNSEL

The firm of Shearman & Sterling, 153 East 53rd Street, New York, New York 10022, has rendered the opinion filed in support of this application. No member of the firm is an officer or director of the Corporation. To the best knowledge of the Corporation, no member of the firm is a stockholder of the Corporation.

REGISTRATION UNDER SECURITIES ACT OF 1933

The 1,164,136 shares of Common Stock of the Corporation, par value \$1.00 per share, for which substitutional listing is applied herein, have been registered under the Securities Act of 1933 (the "Act"), pursuant to a Registration Statement (Registration No. 2-67813) filed with the Securities and Exchange Commission (the "Commission") on Form S-14. The effective date of the Registration Statement was July 2, 1980.

The Corporation is filing with the Exchange and with the Securities and Exchange Commission an Application on Form 8-B for the registration of its Common Stock on the Exchange, pursuant to the Securities Exchange Act of 1934.

GENERAL INFORMATION

The fiscal year of the Corporation ends December 31 of each year.

The Corporation's principal executive offices are located at 170 East Hanover Avenue, P.O. Box 246, Morristown, New Jersey 07960.

The Corporation's By-Laws provide that the annual meeting of stockholders shall be held at such place as may be determined by the Board of Directors on the third Wednesday of May in each year, if not a legal holiday and, if a legal holiday, then on the next business day following, at 12:00 o'clock noon. The holders of a majority of the issued and outstanding stock of the Corporation present, in person or by proxy, shall constitute a quorum for any meeting of stockholders.

The names and addresses of all Directors and the names and titles of all officers of the Corporation are:

DIRECTORS

<u>Name</u>	<u>Address (Business)</u>
Brian P. Burns	Burns & Whitehead 100 Bush Street San Francisco, California 94014
Harry J. Dabagian	USR Industries, Inc. 170 East Hanover Avenue P.O. Box 246 Morristown, New Jersey 07960
Joseph G. Kostrzewa	P.O. Box 1036 Traverse City, Michigan 49684
Ralph T. McElvenny, Jr.	USR Industries, Inc. 170 East Hanover Avenue P.O. Box 246 Morristown, New Jersey 07960

OFFICERS

<u>Name</u>	<u>Title</u>
Ralph T. McElvenny, Jr.	Chairman of the Board and Chief Executive Officer
William C. Kaltnecker	Treasurer and Secretary
Harry J. Dabagian	President and Chief Operating Officer

The Corporation's Transfer Agent is Manufacturers Hanover Trust Co., New York, N.Y. The Corporation's Registrar is Chemical Bank, New York, N.Y.

FINANCIAL STATEMENTS

The Corporation will publish regularly financial statements in accordance with the requirements of the Exchange.

CERTIFICATE

Pursuant to the authority granted by a duly adopted resolution of its Board of Directors, USR Industries, Inc., a Delaware corporation, hereby applies for listing of the aforesaid 1,164,136 shares of its common Stock, par value \$1.00 per share, on the American Stock Exchange, Inc.; and the undersigned hereby certifies that the statements and representations made in this application and in the papers and exhibits submitted in support thereof are true and correct to the best of his knowledge and belief.

USR Industries, Inc.

By: Ralph T. McElvenny, Jr.
Ralph T. McElvenny, Jr.
Chairman of the Board and
Chief Executive Officer

ATTACHMENT 3

SEC.

UNITED STATES RADIUM CORPORATION
170 East Harover Avenue
P.O. Box 246
Morristown, New Jersey 07960

July 11, 1980

Dear Stockholders:

You are cordially invited to attend the Annual Meeting of Stockholders of United States Radium Corporation, which will be held at the Whitehall Hotel, 1700 Smith Street, Houston, Texas, on Wednesday, August 6, 1980, at 10:00 A.M., local time.

At this meeting, the stockholders will be asked to elect Directors of the Corporation for the ensuing year and to approve a proposed restructuring of the Corporation pursuant to an Agreement and Plan of Merger dated as of May 16, 1980, under which the Corporation would become a wholly-owned subsidiary of a Delaware holding company to be called USR Industries, Inc.

The primary purpose of this proposed reorganization is to provide a corporate framework that will better serve the needs of the Corporation by allowing for decentralization of management and financial control systems and segregating the risks and liabilities of each of the Corporation's businesses.

Although the objectives of the plan are simple, the mechanics may at first seem somewhat complicated. Briefly, a new corporation, USR Industries, Inc., has been formed by the Corporation. With your approval, a subsidiary of USR Industries, Inc. will be merged into the Corporation. After completion of the transaction, which is described in greater detail in the Proxy Statement, the Corporation, whose name will be changed to "Safety Light Corporation" pursuant to the Agreement and Plan of Merger, will be a subsidiary of USR Industries, Inc. Subsequently, it is contemplated that the Corporation will (i) transfer all of its businesses except its safety lighting products and tritiated foils and targets business to four subsidiary corporations and (ii) transfer the common stock of these corporations and of Unatco Funding Corporation, currently a wholly-owned subsidiary of the Corporation, to USR Industries, Inc.

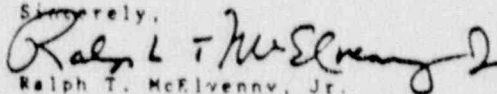
The members of the Board of Directors of United States Radium Corporation at the time of the merger will constitute the Board of Directors of USR Industries, Inc. The holders of the Corporation's Common Stock will automatically become stockholders of USR Industries, Inc.

It will not be necessary for holders of the Corporation's Common Stock to turn in their stock certificates in exchange for stock certificates of USR Industries, Inc. Such stockholders will automatically become stockholders of USR Industries, Inc. if the plan becomes effective and will, therefore, receive reports, notices and so forth with respect to USR Industries, Inc. as heretofore with respect to the Corporation. It is expected that the Shares of Common Stock of USR Industries, Inc. will be listed on the American Stock Exchange on the effective date of the merger.

If the plan becomes effective, your shares of the Corporation's Common Stock will be automatically converted into shares of Common Stock of USR Industries, Inc., which will have substantially the same terms as the shares of the Corporation you now own. The assets and liabilities of USR Industries, Inc. and its subsidiaries after the restructuring will be the same as the present assets and liabilities of the Corporation and its current subsidiaries. Accordingly, shares of Common Stock of USR Industries, Inc. will represent the same interest in the same assets as shares of Common Stock of the Corporation now represent. No gain or loss will be recognized for Federal income tax purposes. The tax basis for shares of USR Industries, Inc. Common Stock will be the same as for shares of the Corporation, and the holding period for shares of USR Industries, Inc. Common Stock will include the period during which shares of the Corporation were held.

YOUR BOARD OF DIRECTORS RECOMMENDS A FAVORABLE VOTE ON THE MATTERS DESCRIBED IN THE ENCLOSED PROXY STATEMENT.

Sincerely,



Ralph T. McElvenny, Jr.
Chairman of the Board and Chief
Executive Officer

IMPORTANT

In order that there may be a proper representation at the Meeting, you are urged to sign and mail the enclosed proxy or proxies even though you now plan to attend. If you are present in person, you may, if you wish, vote personally on all matters brought before the Meeting.

Your prompt action in sending in your proxy or proxies will be greatly appreciated. If you have more than one stockholder account, you are receiving a proxy for each account. You are urged to sign and mail all proxies you receive. A postage-paid envelope is provided for your use.

UNITED STATES RADIUM CORPORATION
170 East Manover Avenue
P.O. Box 246
Morristown, New Jersey 07960

Notice of Annual Meeting of Stockholders to be held August 6, 1980

To the Holders of Common Stock of
UNITED STATES RADIUM CORPORATION:

The Annual Meeting of Stockholders of United States Radium Corporation (the "Corporation") will be held at the Whitehall Hotel, 1700 Smith Street, Houston, Texas 77002 on Wednesday, August 6, 1980, at 10:00 A.M. local time, for the following purposes:

1. To elect Directors of the Corporation, each to serve for a term of one year and until his successor is duly elected and qualified;
2. To consider and adopt the Agreement and Plan of Merger described in the accompanying Proxy Statement; and
3. To transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Each of the foregoing proposals may be considered or acted upon at the first session of the Meeting or at any adjournments thereof.

The close of business on July 2, 1980 has been fixed by the Board of Directors as the record date for the determination of stockholders entitled to notice of and to vote at the Meeting or any adjournments thereof. A complete list of the stockholders entitled to vote at the Meeting will be available for examination by any stockholder of the Corporation for any purpose germane to the Meeting at the Meeting and at Suite 2390, Dresser Tower, 601 Jefferson Avenue, Houston, Texas 77002 for a period of ten days prior to the Meeting.

By Order of the Board of Directors

William C. Kaltuecker
Secretary

Dated: July 11, 1980

IMPORTANT

You are cordially invited to attend the Meeting in person. If you do not expect to attend the Meeting, please sign, date and mail promptly the enclosed proxy in the enclosed stamped addressed envelope in order that a quorum can be present at the Meeting and that your shares may be voted for you.

THIS DOCUMENT IS BOTH A PROXY STATEMENT
FOR THE ANNUAL MEETING OF STOCKHOLDERS OF
UNITED STATES RADIUM CORPORATION
AND A PROSPECTUS OF USR INDUSTRIES, INC.

UNITED STATES RADIUM CORPORATION
170 East Hanover Avenue
P.O. Box 246
Morristown, New Jersey 07960
Telephone (201) 539-4000

USR INDUSTRIES, INC.
170 East Hanover Avenue
P.O. Box 246
Morristown, New Jersey 07960
Telephone (201) 539-4000

1,264,136 Shares of Common Stock

Pursuant to the Agreement and Plan of Merger described herein, holders of United States Radium Corporation (the "Corporation") Common Stock will become stockholders on a share-for-share basis of USR Industries, Inc. ("Industries") and the Corporation will become a wholly-owned subsidiary of Industries. Reference is made to the within prospectus for further information concerning the securities offered hereby.

THE SECURITIES OF USR INDUSTRIES, INC. HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

A Registration Statement under the Securities Act of 1933 has been filed with the Securities and Exchange Commission (the "Commission"), Washington, D.C., with respect to the shares of Common Stock of USR Industries, Inc. offered hereby. As permitted by the rules and regulations of the Commission, this prospectus omits certain information contained in the Registration Statement on file with the Commission. The information omitted can be inspected at Room 6101 of the office of the Commission, 1100 L Street, N.W., Washington, D.C., and copies can be obtained from the Commission at prescribed rates by writing to it at 500 North Capitol Street, N.W., Washington, D.C. 20549. For further information pertaining to the securities offered hereby, reference is made to the Registration Statement, including the exhibits filed as a part hereof.

The date of this Prospectus is July 11, 1980.

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UNITED STATES RADIUM CORPORATION

PROXY STATEMENT

INTRODUCTION

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of United States Radium Corporation (the "Corporation"), 170 East Hanover Avenue, P.O. Box 246, Morristown, New Jersey 07960, to be used at the Annual Meeting of Stockholders of the Corporation to be held on Wednesday, August 6, 1980, at the Whitehall Hotel, 1700 Smith Street, Houston, Texas, for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. It is anticipated that this Proxy Statement and the enclosed form of proxy will be mailed to the holders of the Corporation's Common Stock commencing on or about July 11, 1980. If the enclosed form of proxy is executed and returned, it will be voted, but it may be revoked at any time insofar as it has not been exercised upon written notice to the Secretary of the Corporation. Unless otherwise directed, the persons acting under the proxies will vote the shares represented thereby for the election as directors of the four persons named below and for the approval of the Agreement and Plan of Merger.

At the close of business on July 2, 1980, the record date for determining the stockholders entitled to vote at the Meeting, the Corporation had outstanding 1,164,136 shares of Common Stock, each of which is entitled to one vote. At such date, the Corporation held 4,562 shares of Common Stock in its treasury, none of which shares is entitled to vote at the Meeting. The Common Stock is the only class of voting securities of the Corporation.

At May 1, 1980, the only person known to the Corporation to own beneficially more than 5% of the outstanding shares of Common Stock of the Corporation was Titan Wells, Inc., c/o Suite 3500, 551 Fifth Avenue, New York, New York 10022, which held 303,603 shares of record, constituting 26.08% of the shares outstanding at such date. Titan Wells, Inc. has sole voting power and dispositive power with respect to these shares. Mr. Ralph T. McElvenny, Jr., Chairman of the Board of Directors and Chief Executive Officer of the Corporation, is Chairman of the Board of Directors of, and owns the controlling interest in, Titan Wells, Inc.

ELECTION OF DIRECTORS

Four directors, constituting the entire Board of Directors, are to be elected at the Meeting to hold office for the ensuing year and until their successors are duly elected and qualify. All the nominees are members of the present Board of Directors, all were elected by the stockholders, and all have indicated their willingness to be re-elected. Except where authority to do so has been withheld, the persons acting under the proxies will vote the shares represented thereby for the election of the nominees named below as directors. If any such nominee should be unable to serve, an event not now anticipated, discretionary authority may be exercised by the persons acting under the proxies to vote for a substitute.

Shares of Common Stock of the Corporation owned beneficially by each of the directors of the Company are set forth in the table below. As of May 1, 1980, the Corporation's directors and officers as a group (7 persons) owned beneficially 454,688 shares (constituting 35.97% of the shares) of the Corporation's Common Stock. Such shares include 100,000 shares which two directors, Messrs. Brian P. Burns and Ralph J. McElvenny, Jr., have the right to purchase at any time prior to April 20, 1986 pursuant to stock options. Messrs. Burns and McElvenny had not exercised these stock options as of the record date for the Annual Meeting.

<u>Name and Principal Occupations and Affiliations</u>	<u>Age</u>	<u>Director Since</u>	<u>Shares of Common Stock Owned Beneficially as of May 1, 1980</u>	<u>Percent of Class</u>
Brian P. Burns Partner, Burns & Whitehead, Attorneys at Law, San Francisco, Calif.; Chairman of the Executive Committee of the Corporation, The Coca-Cola Bottling Company of New York, Inc. and United States Banknote Corporation; Chairman of the Audit Committee, Rocor International; Director, Beverly Wilshire Hotel, Boothe Financial Corporation, and Kellogg Company.	43	1978	98,235(1)	7.72
Harry J. Dabagian . . . President and Chief Operating Officer of the Corporation; General Manager of the Chemical Products Division.	51	1977	2,000	.17
Joseph G. Kostrzewa . . Senior Vice President and Treasurer, Traverse Corporation, Traverse City, Michigan (oil and gas exploration and production); President, Northern Processors, Inc., Traverse City, Michigan (oil and gas field service); Director, Traverse City State Bank.	39	1978	0	0

<u>Name and Principal Occupations and Affiliations</u>	<u>Age</u>	<u>Director Since</u>	<u>Share of Common Stock Owned Beneficially as of May 1, 1980</u>	<u>Percent of Class</u>
Ralph T. McElvenny, Jr. Chairman of the Board, Chief Executive Officer and member of the Executive Committee of the Corporation; Chairman and Chief Executive Officer, Titan Wells, Inc. (oil and gas exploration and production and diversified manufacturing).	38	1978	353,603(2)(3)	27.07%

(1) Includes 50,000 shares of Common Stock as to which Mr. Burns has the right to acquire beneficial ownership at any time until April 30, 1986 through the exercise of stock options. Mr. Burns had not exercised these options as of the record date for the Annual Meeting.

(2) Includes 50,000 shares of Common Stock as to which Mr. McElvenny has the right to acquire beneficial ownership at any time until April 30, 1986 through the exercise of stock options. Mr. McElvenny had not exercised these options as of the record date for the Annual Meeting.

(3) Mr. McElvenny is Chairman of the Board of Directors and Chief Executive Officer of, and owns the controlling interest in, Titan Wells, Inc. which owns approximately 26% of the Corporation's outstanding Common Stock.

Mr. Burns is senior partner in the law firm of Burns & Whitehead. For more than five years immediately preceding his affiliation with Burns & Whitehead, Mr. Burns was a partner in the law firm of Cullinan, Burns & Helmer. See also "Management Remuneration; Certain Transactions".

Mr. Dabagian has been continuously employed by the Corporation for the last five years, having served as President since September, 1978. Previously, he served as Vice President and General Manager of the Chemical Products Division.

Mr. Kostrzewa is Senior Vice President and Treasurer of Traverse Corporation, one of two corporations which operate the Corporation's oil and gas interests. Mr. Kostrzewa has been continuously employed by the Traverse Corporation since 1976; prior thereto, he was a partner of Seidman & Seidman, independent public accountants, and manager of that firm's office in Traverse City, Michigan.

Mr. McElvenny was first elected Chairman of the Board and Chief Executive Officer of the Corporation in October, 1978, having previously been elected Vice Chairman in September, 1978, and having first been elected to the Board of Directors in August, 1978. In addition, since 1977, Mr. McElvenny has been a director and Chairman of Titan Wells, Inc. ("Titan"). Prior to his affiliation with Titan, Mr. McElvenny was a director and Chairman of Tandex Corporation and also Vice President and a director of Univenture Corporation ("Univenture"), a venture capital investment and management corporation wholly owned by the United Corporation, a registered investment company, and Assistant Secretary of Univenture's parent, United Corporation. See also "Management Remuneration; Certain Transactions".

COMMITTEES AND MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors held three meetings during 1979. All directors, with the exception of Mr. Dabagian, attended at least 75% of the aggregate number of Board Meetings and meetings of the committees of the Board on which such directors serve. Mr. Dabagian attended two of the three meetings held in the aggregate by the Board of Directors and the committees on which he serves.

Messrs. Burns, as Chairman, and McElvenny are members of the Executive Committee, which, in accordance with the By-Laws of the Corporation, exercises certain of the powers of the Board in the management of the business and affairs of the Corporation, including the determination of the compensation paid to all officers and directors. The Executive Committee generally confers by telephone several times each week and usually meets in person monthly. Meetings are conducted with such frequency that written recordation of each proceeding is not believed to be useful or practical. However, where written record of action by the Executive Committee is necessary to promote sound business

practice or is otherwise legally required or desirable in the best interests of the Corporation, a record of such action is submitted to the Board of Directors for formal written recordation in the minute book of the Corporation.

Messrs. Kostrzewa, as Chairman, and Burns are members of the Audit Committee, which met formally once during 1979. The functions of the Audit Committee include: annual review with the Corporation's independent auditors of the general nature and scope of the Corporation's audit plan, review with the independent auditors of the results of their annual examination and their letter to management, discussion with management of the implementation of any recommendations made in the independent auditors' letter to management, and examination and consideration of such other matters in relation to the internal and external audit of the Corporation's accounts as the Committee may, in its own discretion, determine to be desirable.

The Corporation has no standing nominating committee.

MANAGEMENT REMUNERATION; CERTAIN TRANSACTIONS

(A) Name of individual or number of persons in group	(B) Capacities in which served	(C) Cash and cash-equivalent forms of remuneration(1)	(D) Aggregate of contingent forms of remuneration
Harry J. Dabagian	President, Chief Operating Officer and Director	\$98,000 ⁽²⁾	(5)
Ralph T. McElverny, Jr.	Chairman and Chief Executive Officer	\$59,167 ⁽³⁾	(5)
All Officers and Directors (8 persons)		\$280,190 ⁽⁴⁾	(A)

(1) There were no cash-equivalent forms of remuneration in the nature of securities or property, insurance benefits or reimbursement, or personal benefits.

(2) Includes salary of \$55,000 and \$43,200 in bonuses accrued in 1979.

(3) Includes salary of \$46,667 and \$12,500 in bonuses accrued in 1979.

(4) Directors of the Corporation who are not also officers receive \$500 for each Board meeting attended. Such payments are included in this figure.

(5) The Corporation's contributions to its Pension Plan for Salaried Employees are the only contingent forms of remuneration paid. The amount of such contributions, however, is not and cannot readily be separately or individually calculated by the regular actuaries of the Plan. Aggregate contributions to the Plan amounted to approximately 10.52 of the total remuneration of Plan participants covered by the Plan. The Plan is a defined benefit plan under which participants, upon reaching age 65 with a minimum of ten years' vesting service, are eligible for annual lifetime or 5-year certain pension benefits equal to the number of years of benefit service multiplied by the sum of \$49.50 and 1-1/2% of the highest 5-year average compensation in excess of \$6,600. Benefit service is obtained for years in which an employee

participated and contributed 21 of his compensation in excess of \$6,600. The following table shows the estimated annual benefits payable upon retirement to persons in specified remuneration and years-of-service classifications:

Initial Annual Remuneration	Benefits with Different Years of Service (a)				
	10	15	20	25	30
\$15,000	\$ 2,471	\$ 4,543	\$ 7,380	\$11,188	\$16,220
25,000	4,448	8,066	12,960	19,471	27,024
40,000	7,413	13,352	21,330	31,898	45,729
55,000	10,378	18,637	29,700	44,323	63,434
70,000	13,344	23,922	38,070	56,749	81,139

(a) Calculation assumes commencement of employment on January 1, 1979, election by employee to become a member on July 1, 1979, annual remuneration increases at the rate of 3-1/2% per year and benefit payments for 5-years certain commencing at age 65 with the years of service shown following July 1, 1979.

At last year's Annual Meeting, stockholders approved the grant of non-qualified stock options to purchase 50,000 shares of the Corporation's Common Stock to each of Messrs. Ralph T. McElvenny, Jr. and Brian P. Burns. The options are exercisable until April 30, 1986 at a price of \$2.50 per share. The closing price of the Corporation's Common Stock on the American Stock Exchange on the date of grant, April 4, 1979, was \$2.63 per share. Neither Mr. Burns nor Mr. McElvenny has exercised any of his options.

During 1979, the Corporation purchased certain income-producing oil and gas properties and exploration acreage from Titan Wells, Inc. for a total purchase price of \$172,233. The terms of this transaction were approved by the stockholders of the Corporation at last year's Annual Meeting. During 1979, Titan Wells, Inc. had a maximum indebtedness to the Corporation of \$20,267.48, representing certain oil and gas revenues owing to the Corporation. Titan Wells, Inc. pays interest at the rate of 1% over the prime rate quoted by a major New York City bank on the outstanding

indebtedness, the principal amount of which, as of April 30, 1980, was \$16,144. Mr. Ralph T. McFlvenny, Jr. owns the controlling interest in, and is Chairman of the Board and Chief Executive Officer of, Titan Wells, Inc.

In 1979, the Corporation paid \$6,273 to the law firm of Cullinan, Burns & Helmer for legal services rendered to the Corporation in 1978, when Mr. Burns was a partner in that firm. Also during 1979, the Corporation paid or accrued the amount of \$73,892 for legal services rendered to it by the law firm of Burns & Whitehead, in which Mr. Burns is senior partner. It is anticipated that Burns & Whitehead will continue to render legal services to the Corporation in the future.

RELATIONSHIP WITH INDEPENDENT PUBLIC ACCOUNTANTS

The Board of Directors appointed Peat, Marwick, Mitchell & Co., independent certified public accountants, to audit the accounts of the Corporation for the year ending December 31, 1979, and has appointed the same firm to audit the accounts of the Corporation for the year ending December 31, 1980.

During 1979, Peat, Marwick, Mitchell & Co. rendered professional services in the nature of the annual audit, examination of financial statements of the pension plan, assistance on Federal and state tax matters and preparation of tax returns. Audit fees consisted of fees for examination of financial statements of the Corporation for inclusion in the Annual Report to stockholders and the annual report filed with the Securities and Exchange Commission on Form 10-K, and consultation and assistance on accounting and reporting matters. Fees for non-audit services represented in the aggregate 25.5% of total audit fees, with fees for tax work representing 100% of such non-audit fees. The Audit Committee approved each service rendered by the accountants and considered its possible effect on the independence of the accountants either after the service was performed or contemporaneously.

A representative of Peat, Marwick, Mitchell & Co. is expected to be present at the Meeting, by telephone, will have an opportunity to make a statement if he desires to do so and will be available to respond to appropriate questions of stockholders.

SUMMARY OF MATERIAL ON RESTRUCTURING

The following is not intended as a complete statement of all the material features of the proposed merger and is qualified in its entirety by the more detailed information appearing elsewhere in this Proxy Statement.

Proposed Restructuring

USR Industries, Inc., a Delaware corporation ("Industries"), has been organized to become the parent of United States Radium Corporation (the "Corporation") and its subsidiaries, Metreal Corporation and Unatco Funding Corporation. In the proposed restructuring, the Common Stock of the Corporation will be converted on a share-for-share basis into Common Stock of Industries, which in turn will become the sole stockholder of the Corporation, whose name will be changed to "Safety Light Corporation" pursuant to the Agreement and Plan of Merger. Consequently, the holders of Common Stock of the Corporation will become stockholders of Industries. Following the merger, it is contemplated that the Corporation will transfer all of its businesses except its safety lighting products and tritiated foils and targets business to four separate subsidiary corporations, and that it will transfer the shares of common stock of these wholly-owned subsidiaries, as well as the shares of stock of Unatco Funding Corporation, to Industries. The Corporation will thus retain its safety lighting products and tritiated foils and targets business and the stock of Metreal Corporation.

Stock certificates of the Corporation will automatically represent the corresponding shares of Common Stock of Industries upon consummation of the merger. The rights of the owners of the Common Stock of Industries will be substantially the same as those of the owners of the Common Stock of the Corporation. It is expected that the shares of Common Stock of Industries will be listed on the American Stock Exchange. See "Merger - General", "Merger - Effect of Restructuring" and "Merger - Capitalization of Industries".

The consolidated financial statements of Industries immediately after the proposed restructuring will be substantially identical to the consolidated financial statements of the Corporation immediately prior thereto. See "Merger - General".

Reasons for Restructuring

The Board of Directors of the Corporation believes that the proposed restructuring will provide a framework better suited to meet the current and future needs of the total enterprise by, among other things, allowing for decentralization of management and financial control systems and segregating the risks and liabilities of each of the Corporation's different businesses. See "Merger - Reasons for Restructuring".

Tax Consequences

The Board of Directors of the Corporation has been advised by the law firm of Shearman & Sterling, special counsel to the Corporation, that the position of present stockholders of the Corporation for Federal income tax purposes will not be affected by the proposed restructuring. See "Merger - Federal Tax Consequences".

Appraisal Rights

The Common Stock of the Corporation is listed on the American Stock Exchange and it is expected that the Common Stock of Industries will also be so listed. Consequently, under the Delaware General Corporation Law, stockholders of the Corporation who vote against the merger do not have the right to dissent from the plan of merger and receive payment for the fair value of their shares.

Vote Required

Adoption of the Agreement and Plan of Merger will require approval by the holders of a majority of the shares of the Corporation's Common Stock outstanding on the record date.

Possible Future Restructuring

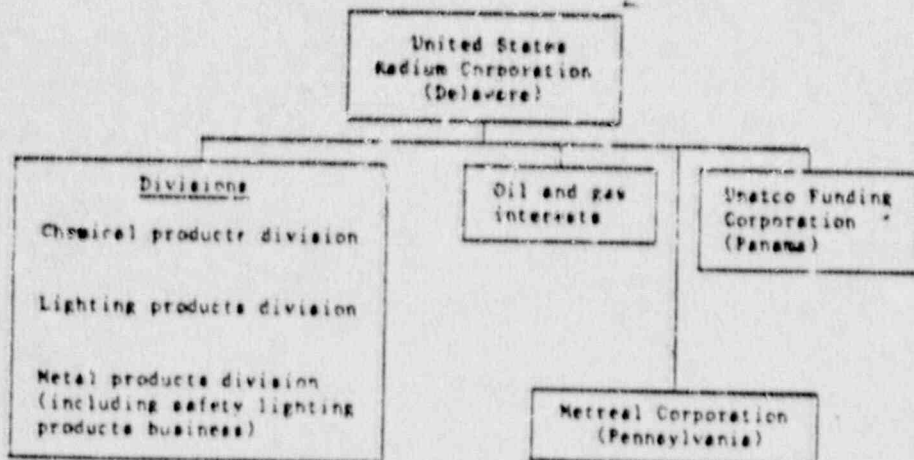
Management is currently exploring the possibility of further restructuring the enterprise by dividing it into two separate and unrelated corporations. Such further restructuring would be subject to, among other things, satisfactory tax rulings or opinions and stockholder approval. No assurance can be given that Management will recommend any further restructuring or that, if recommended, any further restructuring will be consummated. See "Possible Future Restructuring".

MERGER

(Your Management Recommends a Vote FOR APPROVAL)

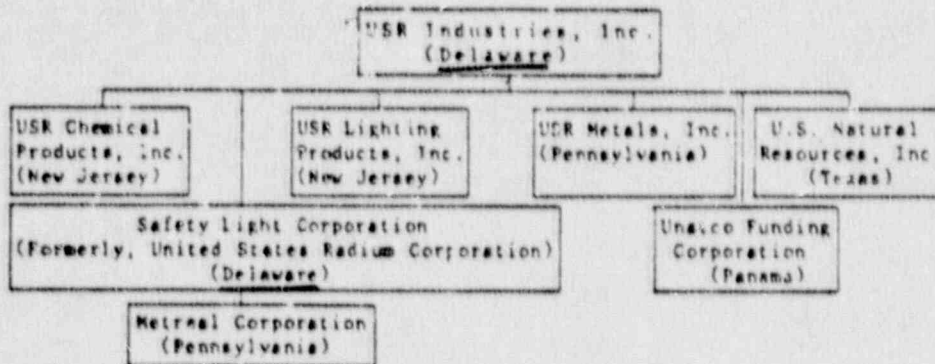
Present Structure of the Corporation

The Corporation, which was incorporated in 1917, has been managed and operated on a highly centralized, divisional basis. The divisions of the Corporation are: the chemical products division, primarily a manufacturer of luminescent phosphors; the lighting products division, primarily a manufacturer of instrument panels; and the metal products division, primarily a manufacturer of specialty watch dials. The Corporation also manufactures safety lighting products and tritiated foils and targets (the "safety lighting products business", which is operated together with the metal products division and which is the only one of the Corporation's businesses which is licensed and regulated), owns oil and gas interests, and has two wholly-owned subsidiaries: Unatco Funding Corporation ("Unatco"), a Panama corporation formed by the Corporation in June, 1979, primarily to make venture investments on an international basis; and Metreal Corporation ("Metreal"), a Pennsylvania corporation formed by the Corporation in January, 1979, which owns land and buildings which are leased to the Corporation and used for the safety lighting products business. The following diagram illustrates the present structure of the Corporation:



General

The Agreement and Plan of Merger (the "Agreement"), approved unanimously by the Board of Directors of United States Radium Corporation (the "Corporation"), is designed to restructure the corporate framework in which the Corporation's operations are currently conducted. As explained below in more detail, the consummation of the merger will result in a new corporate entity, USR Industries, Inc. ("Industries"), having the Corporation as its wholly-owned subsidiary. It is contemplated that after the merger the Corporation will transfer all of its businesses except the safety lighting products business to four new subsidiary corporations which will be: USR Chemical Products, Inc. ("Chemical"), a New Jersey corporation, which will receive the assets and liabilities of the chemical products division; USR Lighting Products, Inc. ("Lighting"), a New Jersey corporation, which will receive the assets and liabilities of the lighting products division; USR Metals, Inc. ("Metals"), a Pennsylvania corporation, which will receive the assets and liabilities of the metal products division except the safety lighting products business; and U.S. Natural Resources Inc. ("Resources"), a Texas corporation, which will receive the oil and gas interests. Finally, it is contemplated that the Corporation will transfer the shares of these four subsidiaries, as well as the shares of Unaco, to Industries, with the result that the Corporation, Chemical, Lighting, Metals, Resources and Unaco will be wholly-owned subsidiaries of Industries. The only business of the Corporation will be the safety lighting products business. In anticipation thereof, the Agreement provides that on the effective date of the merger, the Corporation's name will be changed to "Safety Light Corporation". Metreal will continue to be a subsidiary of the Corporation. After these actions have been completed, the reorganized corporate structure will be as set forth in the following diagram, which also shows the jurisdiction of incorporation of the various companies.



Industries has been formed as a wholly-owned subsidiary of the Corporation. Industries, in turn, has formed a subsidiary, Industries Merger Co. Inc. ("Merger Company"). Both new corporations have only nominal assets and liabilities and are incorporated in Delaware. Under the terms of the Agreement, Merger Company will be merged into the Corporation, which will be the surviving corporation.

On the effective date of the merger, each outstanding share of Common Stock of the Corporation will automatically be converted into a share of Common Stock of Industries; as a consequence, Industries will own all of the Common Stock of the Corporation and the present stockholders of the Corporation will become stockholders of Industries.

The terms and conditions of the merger are set forth in the Agreement, a copy of which is attached as Exhibit A hereto.

Following this rearrangement, shares of Common Stock of Industries will represent the same interest in the same assets as shares of Common Stock of the Corporation now represent. The number of issued and outstanding shares of Industries following the merger will be the same as that of the Corporation immediately prior to the merger, and following the merger the shares of Common Stock of Industries will be owned by the present holders of the Common Stock of the Corporation in the same proportions and amounts in which they currently hold the Corporation's Common Stock.

Reasons for Restructuring; Proposed Operations

The objective of the merger and the transfers described above is to rearrange the businesses of United States Radiun Corporation into a structure better suited to meet the current and future needs of the total enterprise.

For many years, under previous management the Corporation was managed and operated on a highly centralized, divisional basis, using systems of management and financial control centered in a few individuals. Current management believes that such systems are now outmoded and not best applied to the present businesses of the Corporation, and that they should be succeeded by a decentralized structure based upon separate subsidiary corporations. The restruc-

turing will facilitate this change in operations, since line management of each of Industries' subsidiaries will be directly responsible for imposition of controls over their respective operations, including manufacturing, sales, financial and administrative aspects. The Corporation believes that this change in management and financial control structure will stimulate more realistic and responsive decision-making. The restructuring is also intended to assist each separate business of the Corporation better to rank, control and improve its future performance. Operation through a divisional structure with heavily centralized decision-making is believed to have led to inefficiencies and contributed to the Corporation's losses during recent years. Lack of formalized ranking of the Corporation's business segments has resulted in the accumulation of small product lines having extensive and inefficient requirements for labor, capital commitments and production supervision.

The restructuring is further intended to limit the risks and liabilities associated with each business of the Corporation to the assets associated with that business. Management believes that each of the Corporation's businesses should be free-standing to the extent possible; that is, that none of the businesses should have to depend upon the others for support, or be burdened with the risks and liabilities associated with those other businesses. As a related matter, the Corporation believes that it would be advantageous to conduct those of its businesses which are not licensed and regulated through corporations which are separate and distinct from a corporation whose business is licensed and regulated. The Corporation's safety lighting products business is the only business of the Corporation which is licensed and regulated.

The Board of Directors recognizes that the restructuring may have some unfavorable results, but believes that these are significantly outweighed by the factors set out above. One possible unfavorable result may be increased costs of administration: data processing, legal, accounting, and similar services for the several corporations may exceed those incurred by the Corporation alone. Another possible unfavorable result could be reduced creditworthiness of the enterprise, since suppliers and others who might be willing to extend credit to the Corporation, as now constituted, on particular terms, might be unwilling to extend credit to one of the individual subsidiaries of Industries.

The metal products business of the Corporation currently renders certain services to the safety lighting products business. It is expected that after the restructuring, the subsidiary corporations operating these respective businesses may continue this relationship and that, from time to time, other of the affiliated corporations may perform services for, or make available the use of facilities and equipment to, their affiliates. In each case, it is expected that the corporation receiving such services or using such facilities and equipment will reimburse the other corporation for the cost thereof.

No determination has yet been made regarding the method of transferring the common stock of Chemicals, Lighting, Metals, Resources and Unatco to Industries, but the transfer could be made as a dividend on the Corporation's Common Stock. Stockholders will not be afforded an opportunity to approve the transfer of the Corporation's businesses to subsidiary corporations or the transfer of the common stock of Chemicals, Lighting, Metals, Resources and Unatco to Industries.

Directors, Officers and Employees

The members of the Board of Directors of the Corporation at the time of the merger will constitute the Board of Directors of Industries as well. Therefore, in electing the nominees for directors of the Corporation and approving the Agreement at the Annual Meeting, stockholders will be considered to have ratified the election of such persons as directors of Industries.

Following the restructuring, it is expected that the following persons, each of whom is currently an officer of the Corporation, will, at least initially, hold the offices with Industries set forth opposite their names:

<u>Name</u>	<u>Office</u>
Ralph T. McElvenny, Jr.	Chairman and Chief Executive Officer
Harry J. Dabagian	President and Chief Operating Officer
William C. Kaltnecker	Secretary and Treasurer

Each of Industries' subsidiaries will have its own officers, directors and employees. It is possible that some

of the subsidiaries may have some of the same officers and directors.

Article 10 of the Certificate of Incorporation of Industries and Section 145 of the Delaware General Corporation Law provide for the indemnification of directors and officers under certain circumstances. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling Industries, pursuant to the foregoing provisions, Industries has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

Conditions of the Merger

The transactions contemplated by the Agreement will not be effected until (i) the Agreement is adopted by a majority of the outstanding shares of the Corporation entitled to vote thereon and (ii) Eberston & Sterling, special counsel to the Corporation, shall have delivered an opinion, satisfactory to the Board of Directors of the Corporation, with respect to the tax consequences of the merger and the transactions incident thereto.

Amendment and Termination

By mutual agreement of the Boards of Directors of the Corporation, Merger Company and Industries, the Agreement may be amended, modified or supplemented in such manner as such Boards of Directors may agree in writing at any time before or after approval or adoption of the Agreement by the stockholders of the Corporation, provided that after favorable action by the stockholders of the Corporation no such amendment, modification or supplement may affect the rights of the stockholders of the Corporation in a manner which is materially adverse to such stockholders in the judgment of the Board of Directors of the Corporation.

Notwithstanding approval of the Agreement by the stockholders of the Corporation, the Agreement may be terminated by the Corporation's Board of Directors if it deems consummation of the merger inadvisable for any reason. In the event the Agreement is terminated, the Corporation may still transfer its businesses to subsidiary corporations as described above.

Effect of Restructuring

On the effective date of the merger, each share of Common Stock of the Corporation issued and outstanding immediately prior to the merger will, as a result of the merger, be converted into one share of Common Stock of Industries. Each share of Common Stock of Merger Company issued and outstanding immediately prior to the merger will be converted into one new share of Common Stock of the Corporation. Shares of Common Stock of Industries issued and outstanding immediately prior to the merger will be cancelled.

On the effective date of the merger, the shares of Common Stock of the Corporation will be removed from listing on the American Stock Exchange (the "AMEX"). Application has been made to list the Common Stock of Industries on the AMEX. It is expected that the listing of Industries' Common Stock will occur on the effective date of the merger and, consequently, that Industries will be subject to the same requirements under the federal securities laws (including reporting and proxy solicitation requirements) as is the Corporation.

Industries' Certificate of Incorporation and By-Laws, in the form in which they will be in effect on the effective date of the merger, will be substantially the same as the present Certificate of Incorporation and By-Laws of the Corporation except that Industries' Certificate of Incorporation will not provide for annual audited financial statements. Industries will prepare all financial statements required by law to be prepared. The Certificate of Incorporation of Industries is set forth as Exhibit B hereto.

Pursuant to the Agreement, the Certificate of Incorporation of the Corporation will be amended on the effective date of the merger to change the name of the Corporation to "Safety Light Corporation", as described above, and to delete the requirement that the Corporation prepare annual audited financial statements. The Corporation will continue to prepare all financial statements required by law to be prepared.

Options to purchase shares of the Common Stock of the Corporation held by Messrs. Brian P. Burns and Ralph T. McElvenny, Jr. (See "Management Remuneration; Certain Transactions") will, by the terms of the option agreements, as amended, be exercisable only for shares of

Industries Common Stock on and after the effective date of the merger. The terms and conditions of the options will not otherwise be changed.

No Exchange of Certificates Required

It will not be necessary for stockholders to surrender their present certificates representing Common Stock of the Corporation in exchange for certificates representing Common Stock of Industries. Upon consummation of the merger, certificates representing shares of the Corporation's Common Stock will be deemed for all purposes to represent an equal number of shares of the Common Stock of Industries. When currently outstanding certificates for Common Stock are presented for transfer after the merger, new certificates bearing the name of Industries will be issued. Nevertheless, any holder of Common Stock who wishes to do so may, after the effective date of the merger, submit his certificates to the Corporation or to Manufacturers Hanover Trust Company, New York, New York and receive a new certificate or certificates for an equal number of shares of Common Stock of Industries.

Capitalization of Industries

The authorized capital stock of Industries consists of 3,500,000 shares of Common Stock, \$1.00 par value. The following statements summarize certain relevant provisions thereof and are qualified by reference to Industries' Certificate of Incorporation and the laws of the State of Delaware.

All shares of Industries' Common Stock will participate equally with respect to dividends and rank equally upon liquidation. The holder of each share of Common Stock is entitled to one vote. No holder of Common Stock will have any preemptive or subscription rights. Upon the issuance of Industries' Common Stock on the effective date of the merger, such shares will be fully paid and non-assessable and the holders thereof will not be under any liability for further calls or assessments.

Federal Tax Consequences

The Board of Directors of the Corporation has been advised by the law firm of Shearman & Sterling, special counsel to the Corporation, that under present Federal income tax laws, upon the conversion of the shares of the Corporation's Common Stock into shares of Common Stock of Industries

(i) no gain or loss will be recognized by holders of the Corporation's Common Stock and (ii) such holders' tax basis and holding period (for purposes of capital gains taxes) as in existence immediately prior to the conversion shall remain unchanged after their shares have been converted into Common Stock of Industries.

The foregoing relates solely to Federal income tax consequences. Stockholders should consult their personal tax advisers with respect to the application to individual situations of state and local tax laws.

Vote Required

Under the Delaware General Corporation Law, the Agreement as adopted by the Board of Directors of the Corporation and Merger Company must be approved by the affirmative vote of the holders of a majority of the outstanding shares of the Corporation entitled to vote thereon. After such stockholder approval, the merger will become effective on the date an executed copy of the Agreement or a Certificate of Merger is filed with the Secretary of State of the State of Delaware.

Dissenting Shareholders

Section 262(k) of the Delaware General Corporation Law states in relevant part that, unless otherwise provided in a corporation's certificate of incorporation, a stockholder may not dissent with respect to the adoption of a plan of merger and seek appraisal as to shares which were listed on a national securities exchange on the record date fixed to determine the stockholders entitled to receive notice of and to vote at the meeting at which action on the merger is taken. The shares of the Corporation are, and were on the record date for the Annual Meeting, listed on the American Stock Exchange. The Certificate of Incorporation of the Corporation does not contain any provision giving a right of dissent to the stockholders of the Corporation.

Section 262(l) of the Delaware General Corporation Law states in relevant part that, notwithstanding the provisions of Section 262(k), as described above, appraisal rights are available as to shares of stock of a corporation which is a party to a merger if the holders of the shares are required to accept for their stock anything except,

among other things, shares of stock of a corporation not a party to the merger which at the effective date of the merger will be listed on a national securities exchange. Since it is expected that the stock of Industries will be listed on the American Stock Exchange, stockholders of the Corporation who do not vote in favor of the merger will not have the right to dissent from the merger and seek appraisal for their shares.

Market Price of Common Stock

The following table sets forth the reported high and low sales prices per share of the Common Stock of the Corporation for the calendar quarters indicated as reported on the composite tape for issues listed on the American Stock Exchange:

	<u>High</u>	<u>Low</u>
1978		
Second Quarter	4	2-3/4
Third Quarter	4-1/8	3-1/4
Fourth Quarter	3-7/8	2-1/8
1979		
First Quarter	2-5/8	2-1/8
Second Quarter	3-7/8	2-5/8
Third Quarter	4	3-1/8
Fourth Quarter	2-7/8	2-3/4
1980		
First Quarter	5-1/8	2-3/8

Legal Matters

Shearman & Sterling, special counsel to USR Industries, Inc., will pass upon the validity of the Common Stock of USR Industries, Inc. to be issued pursuant to the Agreement.

Approval

Adoption of the Agreement will require approval by the holders of a majority of the outstanding shares of the Corporation's Common Stock entitled to vote thereon.

Mr. Burns and Titen Wells, Inc., the owners of an aggregate of approximately 30.22% of the outstanding shares of the Common Stock of the Corporation, have indicated their intention to vote in favor of the Agreement. If approved, it is anticipated that the merger will occur as soon after the Annual Meeting of Stockholders as practicable. THE BOARD OF DIRECTORS RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR APPROVAL OF THE AGREEMENT.

POSSIBLE FUTURE RESTRUCTURING

It is assumed in this Section that the restructuring referred to elsewhere in this Proxy Statement will be consummated. If this is not the case, references in this Section to "Industries" shall be deemed to be references to "the Corporation".

As part of Management's continuing effort to create a corporate framework that will best serve the needs of the different businesses of Industries, Management is currently exploring the possibility of further restructuring the enterprise by dividing it into two separate and unrelated domestic or foreign corporations, one of which ("X Corporation") would own the assets of, and conduct, the Safety Lighting Products business and the other of which ("Y Corporation") would own the balance of Industries' assets and conduct the balance of Industries' businesses. Should this further restructuring be consummated, Industries' stockholders will own through their ownership of X Corporation and Y Corporation the same interest in Industries' assets and businesses as they owned immediately prior to such consummation by virtue of their ownership of their stock of Industries.

Management's decision regarding whether to recommend such further restructuring to Industries' stockholders as being in their best interests and to solicit their vote in favor thereof will depend on a number of factors, including the receipt of satisfactory rulings from the Internal Revenue Service (the "IRS") with respect to the tax consequences to Industries and its stockholders of such restructuring or of opinions of counsel with respect to such tax consequences.

If Management determines that the possible further restructuring would serve the best interests of the stockholders, implementation of a proposal for such further restructuring would be contingent upon the approval of the stockholders of Industries, which approval would be solicited in accordance with Federal securities and Delaware law, among others. No assurance can be given at this time that Management will recommend any further restructuring of Industries to its

stockholders or that, if recommended, any further restructuring will be consummated.

STOCKHOLDER PROPOSALS FOR THE 1981
ANNUAL MEETING OF STOCKHOLDERS

It is anticipated that the Corporation's 1981 Annual Meeting of Stockholders will be held on or about May 21, 1981, and that the Corporation's proxy materials for that Meeting will be mailed to Stockholders on or about April 21, 1981. Stockholder proposals for the 1981 Annual Meeting of Stockholders must be received by the Corporation at its offices at 170 East Hanover Avenue, P.O. Box 246, Morristown, New Jersey 07960 before January 21, 1981 to be considered for inclusion in the Corporation's Proxy Statement for that Meeting.

OTHER MATTERS

The Board of Directors knows of no other matter to be brought before the Meeting. However, if any other matters should be properly presented for action, it is the intention of the person named in the enclosed form of proxy to vote the shares represented thereby in accordance with their judgment on such matters.

The Corporation will bear the cost of solicitation of proxies. In addition to the use of the mails, proxies may be solicited by officers, directors and regular employees of the Corporation personally, by telephone or by telegraph. Arrangements may also be made with brokerage houses and other custodians, nominees and fiduciaries to forward solicitation material to the beneficial owners of the shares of Common Stock held of record by such persons, and the Corporation will reimburse them for reasonable out-of-pocket expenses incurred by them in so doing.

It is important that proxies be returned to ensure that all shares are voted. Therefore, stockholders who do not expect to attend in person are urged to sign, date and return the enclosed proxy in the enclosed envelope which requires no postage.

By Order of the Board of Directors

Dated: July 11, 1980

William C. Kaltnecker
Secretary

ATTACHMENT 4

Exhibit A
to
Proxy Statement

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER (the "Agreement") dated as of May 16, 1980 by and between United States Radium Corporation ("USR"), USR Industries, Inc. ("Industries") and Industries Merger Co. Inc. ("Merger Company"), each a Delaware corporation.

WHEREAS, USR has an authorized capitalization consisting of 3,500,000 shares of Common Stock, \$1.00 par value ("USR Common Stock"), of which 1,164,136 shares are issued and outstanding on the date hereof, 100,000 shares are reserved for issuance pursuant to the terms of stock options granted in 1979, and 4,562 shares are in treasury; and

WHEREAS, Industries has an authorized capitalization consisting of 3,500,000 shares of Common Stock, \$1.00 par value ("Industries Common Stock"), of which 100 shares have been issued and are outstanding and owned beneficially and of record by USR on the date hereof; and

WHEREAS, Merger Company has an authorized capitalization consisting of 100 shares of Common Stock, \$0.10 par value ("Merger Company Common Stock"), all of which shares have been issued and are outstanding and are owned beneficially and of record by Industries on the date hereof; and

WHEREAS, the Boards of Directors of the respective parties hereto deem it advisable to merge Merger Company into USR (the "Merger") in accordance with the Delaware General Corporation Law and this Agreement, whereby the holders of shares of USR Common Stock will receive shares of Industries Common Stock; and

WHEREAS, the Merger, to be effective, must be approved by the affirmative vote of the holders of a majority of the issued and outstanding USR Common Stock entitled to vote thereon and by the affirmative vote of the holders of a

majority of the issued and outstanding Merger Company Common Stock entitled to vote thereon;

NOW, THEREFORE, in consideration of the premises and agreements herein contained, the parties hereto agree that Merger Company shall be merged into USR which shall be the corporation surviving the Merger and that the terms and conditions of the Merger, the mode of carrying it into effect, and the manner of converting shares shall be as follows:

ARTICLE I

THE MERGER

(a) Subject to and in accordance with the provisions of this Agreement, either a copy of this Agreement or a Certificate of Merger shall be executed, acknowledged and thereafter filed with the Secretary of State of Delaware, as provided in Sections 251 and 103 of the Delaware General Corporation Law. The Merger shall become effective as of the time the Agreement or Certificate of Merger is filed or at a subsequent effective date set forth in the Agreement or Certificate of Merger (the "Effective Date"). At the Effective Date, the separate existence of Merger Company shall cease and Merger Company shall be merged with and into USR (Merger Company and USR being sometimes referred to herein as the "Constituent Corporations" and USR being sometimes referred to herein as the "Surviving Corporation").

(b) Prior to and after the Effective Date, USR and Merger Company, respectively, shall take all such action as may be necessary or appropriate in order to effectuate the Merger. In this connection, Industries shall issue the shares of Industries Common Stock which the holders of USR Common Stock shall be entitled to receive as provided in Article II hereof. In case at any time after the Effective Date any further action is necessary or desirable to carry out the purposes of this Agreement and to vest the Surviving Corporation with full title to all properties, assets, rights, approvals, immunities and franchises of either of the Constituent Corporations, the officers and directors of each of the Constituent Corporations as of the Effective Date shall take all such further action.

ARTICLE II

TERMS OF CONVERSION OF SHARES

On the Effective Date:

(a) Each share of USR Common Stock outstanding immediately prior to the Merger shall, as a result of the Merger, be automatically owned beneficially and of record by Industries and, with respect to the holders of the USR Common Stock, shall be converted into one share of Industries Common Stock, which shall thereupon be issued, fully paid and non-assessable;

(b) Each share of Merger Company Common Stock outstanding immediately prior to the Merger shall, as a result of the Merger, be automatically converted into one new share of common stock, \$1.00 par value, of the Surviving Corporation, which shall thereupon be issued, fully paid and non-assessable; provided, however, that simultaneously therewith or immediately thereafter, the Board of Directors of the Surviving Corporation shall take all such corporate action as may be necessary to adjust the surplus and capital accounts of the Surviving Corporation to take into account the conversion of Merger Company Common Stock at the Effective Date; and

(c) Each share of Industries Common Stock outstanding immediately prior to the Merger shall be cancelled and cease to exist.

ARTICLE III

CERTIFICATE OF INCORPORATION AND BY-LAWS

From and after the Effective Date, and until thereafter amended as provided by law, the Certificate of Incorporation of USR, as amended, and as in effect immediately prior to the Merger shall be and continue to be the Certificate of Incorporation of the Surviving Corporation, except that the Certificate of Incorporation of the Surviving Corporation shall be amended as follows:

1. Article First shall be amended to read:
"FIRST: The name of this corporation is Safety Light Corporation."

2. Article Ninth shall be amended to read:
"NINTH: The fiscal year of the Corporation shall terminate on the 31st day of December in each year unless otherwise required by law."

From and after the Effective Date, the By-Laws of USR shall be and continue to be the By-Laws of the Surviving Corporation until amended in accordance with law.

ARTICLE IV

DIRECTORS AND OFFICERS

The persons who are Directors and Officers of USR immediately prior to the Merger shall continue as Directors and Officers, respectively, of the Surviving Corporation and shall continue to hold office as provided in the By-Laws of the Surviving Corporation. If, at or following the Effective Date, a vacancy shall exist in the Board of Directors or in the position of any Officer of the Surviving Corporation, such vacancy may be filled in the manner provided in the By-Laws of the Surviving Corporation.

ARTICLE V

STOCK CERTIFICATES

Following the Effective Date, each holder of an outstanding certificate or certificates, theretofore representing USR Common Stock may, but shall not be required to, surrender the same to Industries for cancellation or transfer, and each such holder or transferee will be entitled to receive certificates representing the same number of shares of Industries Common Stock as the shares of USR Common Stock previously represented by the stock certificates surrendered. Until so surrendered or presented for transfer, each outstanding certificate which, prior to the Effective Date, represented shares of USR Common Stock shall be deemed and treated for all corporate purposes to represent the ownership of the same number of shares of Industries Common Stock as though such surrender or transfer and exchange had taken place. The stock transfer books for the USR Common Stock shall be deemed to be closed at the Effective Date and no transfer of outstanding USR Common Stock shall thereafter be made on such books.

All shares of Industries Common Stock for which shares of USR Common Stock shall have been exchanged pursuant to this Article V shall be deemed to have been issued in full satisfaction of all rights pertaining to such shares of USR Common Stock.

Upon the Effective Date, the holders of certificates representing USR Common Stock outstanding at such time shall cease to have any rights with respect to such stock (except such rights as certain stockholders may have under Section 262 of the Delaware General Corporation Law) and their sole rights shall be with respect to the Industries Common Stock for which their shares of USR Common Stock have been exchanged by the Merger.

ARTICLE VI

CONDITIONS OF THE MERGER

Consummation of the Merger is subject to the satisfaction of the following conditions:

(a) The Merger shall have received the approval of the holders of capital stock of each of the Constituent Corporations as required by Section 251 of the Delaware General Corporation Law and by the Certificate of Incorporation and By-Laws of the Constituent Corporations.

(b) There shall have been obtained an opinion of Shearman & Sterling, special counsel to USR, satisfactory to the Board of Directors of USR, with respect to the tax consequences of the Merger and other transactions incident thereto.

(c) Industries shall have received all necessary Blue Sky permits and other authorizations, if any, to carry out the transactions contemplated hereby.

ARTICLE VII

AMENDMENT AND TERMINATION

The parties hereto by mutual consent of their respective Boards of Directors may amend, modify or supplement this Agreement in such manner as may be agreed upon by them in writing, at any time before or after approval of this Agreement by the stockholders of USR, provided, however, that no such amendment, modification or supplement shall, in the sole judgment of the Board of Directors of USR, materially and adversely affect the rights of the stockholders of USR.

This Agreement may be terminated and the Merger and other transactions herein provided for abandoned at any time prior to the filing of the Agreement or a Certificate of Merger with the Secretary of State of Delaware, whether before or after approval of this Agreement by the stockholders of USR, by action of the Board of Directors of USR if said Board of Directors determines for any reason that the consummation of the transactions provided for herein would for any reason be inadvisable or not in the best interests of USR or its stockholders.

ARTICLE VIII

EFFECTIVE DATE OF THE MERGER

Subject to the prior satisfaction of the conditions of the Merger set forth in Article VI hereof and the authority to terminate this Agreement as set forth in Article VII hereof, the Constituent Corporations and Industries shall do all such acts and things as shall be necessary or desirable in order to make the Effective Date occur as soon as possible after the Agreement is approved by the stockholders of USR entitled to vote thereon, and, in any event, prior to June 1, 1981.

ARTICLE IX

MISCELLANEOUS

This Agreement may be executed in counterparts, each of which, when so executed, shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument.

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

IN WITNESS WHEREOF, USR, Merger Company and Industries, pursuant to approval and authorization duly given by resolutions adopted by their respective Boards of Directors,

have each caused this Agreement and Plan of Merger to be executed by duly authorized officers as of the date written above.

UNITED STATES RADIUM CORPORATION

[JEAL]

By: /s/ Ralph T. McElvenny, Jr.
Ralph T. McElvenny, Jr.
Chairman of the Board and
Chief Executive Officer

ATTEST:

By: /s/ William C. Kaltnecker
William C. Kaltnecker
Secretary

USR INDUSTRIES, INC.

By: /s/ Ralph T. McElvenny, Jr.
Ralph T. McElvenny, Jr.
Chairman of the Board and
Chief Executive Officer

ATTEST:

By: /s/ William C. Kaltnecker
William C. Kaltnecker
Secretary

INDUSTRIES MERGER CO. INC.

By: /s/ Ralph T. McElvenny, Jr.
Ralph T. McElvenny, Jr.
Chairman of the Board and
Chief Executive Officer

ATTEST:

By: /s/ William C. Kaltnecker
William C. Kaltnecker
Secretary

ATTACHMENT 5

HANNOCH WEISMAN

A PROFESSIONAL CORPORATION
4 BECKER FARM ROAD
ROSELAND, NEW JERSEY 07068 3788
201 525 5300
ATTORNEYS FOR Plaintiffs

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION: ESSEX COUNTY
DOCKET NO. L-055362-84

USR INDUSTRIES, INC., et als.,

Plaintiffs,

-vs-

INSURANCE COMPANY OF NORTH
AMERICA, et als.,

Defendants.

:
:
: Civil Action
:
: PLAINTIFF'S NOTICE OF MOTION
: TO FILE
: THIRD AMENDED COMPLAINT
:
: Returnable August 4, 1989

TO: ALL COUNSEL (see attached Rider)

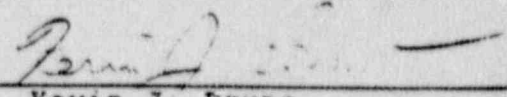
PLEASE TAKE NOTICE that the undersigned attorneys, counsel to plaintiffs, will move before the Honorable Marilyn Loftus, Superior Court of New Jersey, New Courts Building, Room 818, Newark, New Jersey, for an Order permitting plaintiffs to file a Third Amended Complaint in the above-captioned matter.

PLEASE TAKE FURTHER NOTICE that in support of their application, plaintiffs will rely upon the attached Certification

of Kevin J. Bruno, Esq. Pursuant to R. 1:6-2, plaintiffs will rely on the papers submitted herewith, and do not request oral argument. A proposed form of order has been submitted herewith.

HANNOCH WEISMAN
Attorneys for Plaintiffs

By


Kevin J. Bruno

DATED: July 21, 1989

COUNSEL LIST

Re: U.S.R. Industries v. INA, et als
Docket No. L-05536284

Dated: 4/20/89

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(201) 535-5300
ATTORNEYS FOR Plaintiffs

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION: ESSEX COUNTY
DOCKET NO. J-059362-84

USR INDUSTRIES, INC., et als.,

Plaintiffs,

-VS-

INSURANCE COMPANY OF NORTH
AMERICA, et als.

Defendants.

Civil Action

CERTIFICATION OF
KEVIN J. BRUNO

KEVIN J. BRUNO, of full age, deposes and says as follows:

1. I am an attorney at law in the State of New Jersey and am associated with the law firm of Hannotch Weisman, counsel to plaintiffs in the above captioned matter.

2. I am fully familiar with the facts of this matter and make this certification in support of plaintiffs' motion for leave to file a Third Amended Complaint, a copy of which is attached hereto as Exhibit "A".

3. Since the filing of this action, several additional claims have been filed against the plaintiff insureds, none of

which have been incorporated into this lawsuit: Douglass, et al. v. Safety Light Corporation, et al., docket no. L-089653-85; Stephens, et al. v. United States Radium Corporation, et al., docket no. L-091247-85; Estate of Alexander Masson, et al. v. United States Radium Corporation, et al., docket no. L-055737-86; Claim by the United States Environmental Protection Agency ("EPA") for response costs associated with remedial work conducted at the Maxey Flats Disposal Site located in Morehead, Kentucky; T&E Industries, Inc. v. Safety Light Corporation, et al., civil action no. 87-1088; claim by the EPA for response costs associated with remedial work at the Kin Buc landfill site located in Edison, New Jersey; and claim by the United States Nuclear Regulatory Commission ("NRC") for remedial work associated with the site characterization and decontamination of property located in Bloomsburg, Pennsylvania. Plaintiffs have amended paragraphs 49 through 54 of their complaint to include these claims. All of the defendant insurers have been duly notified of these claims.

4. The third amended complaint also adds an additional defendant insurer, Travelers Indemnity Company, which previously had been dismissed from this action by Stipulation dated May 17, 1985. The Settlement Agreement dated May 17, 1985, which formed the basis for said Stipulation of Dismissal provided that coverage would be afforded for claims relating to the Bloomsburg, Pennsylvania site. Because the EPA Maxey Flats and NRC claims fall within this category of claims, and because Travelers has thus far declined coverage for said claims, plaintiffs have determined to add Travelers as an additional defendant. Paragraph

57 of the complaint has been amended accordingly.

5. Since the inception of this action, various carriers have assumed, to varying degrees, the defense of the plaintiff insureds. Paragraph 56 of the complaint has been amended to bring up to date the status and scope of such defense agreements. Likewise, paragraphs 48 and 53 of the complaint have been amended to indicate that certain carriers have agreed to provide the sums necessary to settle the Zwain and Kin Buc claims underlying this action, subject to a reservation of rights to contest liability at a later date.

6. Paragraphs 44 and 46 of the complaint have been amended to incorporate the above mentioned changes. Paragraphs 11, 13 and 14 have been amended to indicate that certain defendant insurers are presently in insolvency. In particular, both the caption and paragraph 14 have been amended to indicate that the New Jersey Property-Liability Guaranty Association is a party to this action upon the behalf of the Integrity Insurance Company and Midland Insurance Company, both of which are in insolvency.

For the foregoing reasons, plaintiffs respectfully request that they be granted leave to file a Third Amended Complaint in this action.

I hereby certify that the foregoing statements made by me are true; I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.



Kevin J. Bruno

DATED: July 21, 1989

HANNOCH WEISMAN

A PROFESSIONAL CORPORATION
4 BECKER FARM ROAD
ROSELAND, NEW JERSEY 07068 3788
(201) 535-5300

ATTORNEYS FOR **Plaintiffs**

SUPERIOR COURT OF NEW JERSEY
L/W DIVISION: ESSEX COUNTY
DOCKET NO: L-055362-84

USR INDUSTRIES, INC., USR METALS, :
INC., USR LIGHTING, INC., SAFETY :
LIGHT CORPORATION, USR CHEMICALS, :
INC. AND U.S. NATURAL RESOURCES, :
INC., :

Plaintiffs, :

-vs- :

Civil Action

INSURANCE COMPANY OF NORTH :
AMERICA, FIREMAN'S FUND INSURANCE :
COMPANY, NATIONAL UNION FIRE :
INSURANCE COMPANY, FIRST STATE :
INSURANCE COMPANY, FEDERAL INSUR- :
ANCE COMPANY, CALIFORNIA UNION :
INSURANCE COMPANY, ST. PAUL FIRE :
AND MARINE INSURANCE COMPANY, :
MISSION INSURANCE COMPANY, :
PURITAN INSURANCE COMPANY, :
AMBASSADOR INSURANCE COMPANY, :
THE NEW JERSEY PROPERTY-LIABILITY :
GUARANTY ASSOCIATION upon the :
behalf of MIDLAND INSURANCE :
COMPANY AND INTEGRITY INSURANCE :
COMPANY in INSOLVENCY, HARTFORD :
INSURANCE GROUP, ROYAL :
INDEMNITY COMPANY, a division :
of ROYAL INSURANCE COMPANY OF :
AMERICA, AETNA LIFE INSURANCE

THIRD
AMENDED COMPLAINT

COMPANY OF AMERICA, COMMERCIAL :
UNION INSURANCE COMPANY, :
LEXINGTON INSURANCE COMPANY, :
SOUTHERN AMERICAN INSURANCE :
COMPANY, THE TRAVELERS :
INDEMNITY COMPANY AND JOHN DOE :
COMPANIES :
1-100, :
:
Defendants.

COMPLAINT

Plaintiffs, USR Industries, Inc., USR Metals, Inc., USR Lighting, Inc., Safety Light Corporation, USR Chemicals, Inc. and U.S. Natural Resources, Inc., by way of Complaint against the defendants, say:

THE INSUREDS

1. From a period beginning with World War I until approximately 1980, the former United States Radium Corporation was a corporation organized under the laws of the State of Delaware and did business in the State of New Jersey. For a limited period of time, the former United States Radium Corporation manufactured products used primarily in military applications (such as fighter plane instruments illuminated for night flight by a coating of radium luminous paint). For a limited period of time, the former United States Radium Corporation maintained a plant in Orange, New Jersey.

2. In 1980, USR Industries, Inc., a newly formed corporation organized under the laws of the State of Delaware was established as a parent holding corporation and purchased, in exchange for its stock, the assets and business of the former United States Radium Corporation and the various business segments thereof, as such were comprised in 1980. The name of the former United States Radium Corporation was changed to Safety Light Corporation at or about that time. As part of the restructuring, the following distinct companies became subsidiary corporations wholly owned by USR Industries, Inc.: USR Lighting, Inc., a corporation organized under the laws of the State of New Jersey; USR Metals, Inc., a corporation organized under the laws of the State of Pennsylvania; and USR Chemicals, Inc., a corporation organized under the laws of the State of New Jersey. At the time, USR Industries, Inc. also established U.S. Natural Resources, Inc., an inactive corporation organized under the laws of the State of Texas.

3. In 1982, all of the stock of Safety Light Corporation was purchased by Lime Ridge Industries, Inc., an unrelated company having no common ownership by or with USR Industries, Inc.

THE INSURERS: PRIMARY AND EXCESS CARRIERS

4. Defendant, Insurance Company of North America (hereinafter referred to as "INA"), a corporation licensed to do business and doing and transacting business in the State of New Jersey, is organized under the laws of the Commonwealth of Pennsylvania and has its principal place of business in the Commonwealth of Pennsylvania.

5. Defendant, Fireman's Fund Insurance Company, (hereinafter referred to as "Fireman's Fund"), a corporation licensed to do business and doing and transacting business in the State of New Jersey, is organized under the laws of the State of California and has its principal place of business in the State of California.

6. Defendant, National Union Fire Insurance Company of Pittsburgh, Pennsylvania (hereinafter referred to as "National Union"), a corporation licensed to do business and doing and transacting business in the State of New Jersey, is organized under the laws of the Commonwealth of Pennsylvania and has its principal place of business in the Commonwealth of Pennsylvania.

7. Defendant, First State Insurance Company (hereinafter referred to as "First State"), a corporation licensed to do business and doing and transacting business in the State of New Jersey, is organized under the laws of the State of Delaware and

has its principal place of business in the Commonwealth of Massachusetts.

8. Defendant, Federal Insurance Company (hereinafter referred to as "Federal"), a corporation licensed to do business and doing and transacting business in the State of New Jersey, is organized under the laws of the State of New Jersey and has its principal place of business in the State of New Jersey.

9. Defendant, California Union Insurance Company (hereinafter referred to as "California Union"), a corporation licensed to do business and doing and transacting business in the State of New Jersey, is organized under the laws of the State of California and has its principal place of business in the State of California.

10. Defendant, St. Paul Fire and Marine Insurance Company (hereinafter referred to as "St. Paul"), a corporation licensed to do business and doing and transacting business in the State of New Jersey, is organized under the laws of the State of Minnesota and has its principal place of business in the State of Minnesota.

11. Defendant, Mission Insurance Company (hereinafter referred to as "Mission"), in insolvency, a corporation licensed to do business and doing and transacting business in the State of New Jersey, is organized under the laws of the State of

California and has its principal place of business in the State of California.

12. Defendant, Puritan Insurance Company (hereinafter referred to as "Puritan"), a corporation licensed to do business and doing and transacting business in the State of New Jersey, is organized under the laws of the State of Connecticut and has its principal place of business in the State of Connecticut.

13. Defendant, Ambassador Insurance Company (hereinafter referred to as "Ambassador"), a corporation licensed to do business and doing and transacting business in the State of New Jersey, is organized under the laws of the State of Vermont and has its principal place of business in the State of Vermont.

14. Defendant, The New Jersey Property-Liability Guaranty Association, upon the behalf of Integrity Insurance Company (hereinafter referred to as "Integrity") and Midland Insurance Company (hereinafter referred to as "Midland"), which are in insolvency. Integrity is a corporation licensed to do business and doing and transacting business in the State of New Jersey, is organized under the laws of the State of New Jersey and has its principal place of business in the State of New Jersey. Midland is a corporation licensed to do business and doing and transacting business in the State of New Jersey, is organized under the laws of the State of New York and has its principal place of business in the State of New York.

15. Defendant, Hartford Insurance Group (hereinafter referred to as "Hartford"), a corporation licensed to do business and doing and transacting business in the State of New Jersey, is organized under the laws of the State of Connecticut, and has its principal place of business in the State of Connecticut.

16. Defendant, Royal Indemnity Company, a division of Royal Insurance Company of America (hereinafter referred to as "Royal Indemnity"), a corporation licensed to do business and doing and transacting business in the State of New Jersey, is organized under the laws of the State of Illinois and has its principal place of business in the State of New York.

17. Defendant, Aetna Insurance Company (hereinafter referred to as "Aetna"), a corporation licensed to do business and doing and transacting business in the State of New Jersey, is organized under the laws of the State of Connecticut and has its principal place of business in the Commonwealth of Pennsylvania.

18. Defendant, Commercial Union Insurance Company (hereinafter referred to as "Commercial Union"), a corporation licensed to do business and doing and transacting business in the State of New Jersey, is organized under the laws of the Commonwealth of Massachusetts and has its principal place of business in the Commonwealth of Massachusetts.

19. Defendant, Lexington Insurance Company (hereinafter referred to as "Lexington"), is a corporation organized under the laws of the State of Delaware and has its principal place of business in the Commonwealth of Massachusetts.

20. Defendant, Southern American Insurance Company (hereinafter referred to as "Southern American"), is a corporation organized under the laws of the State of Tennessee and has its principal place of business in the State of Tennessee.

21. Defendant, The Travelers Indemnity Company (hereinafter referred to as "Travelers"), a corporation licensed to do business and doing and transacting business in the State of New Jersey, is organized under the laws of the State of Connecticut, and has its principal place of business in the State of Connecticut.

22. Defendants, John Doe Companies 1-100, are unnamed companies which issued insurance policies, including comprehensive liability insurance policies, pursuant to which they agreed to defend and indemnify United States Radium Corporation and/or USR Industries, Inc., USR Metals, Inc., USR Lighting, Inc., Safety Light Corporation, USR Chemicals, Inc. and U.S. Natural Resources, Inc.

23. Defendants, INA, Fireman's Fund, National Union First State, Federal, California Union, St. Paul, Mission,

Puritan, Midland, Ambassador, Integrity, Hartford, Royal Indemnity, Aetna, Commercial Union, Lexington, Southern American and Travelers are corporations or companies which are now and have been licensed and authorized to issue insurance policies, including comprehensive liability insurance policies.

THE CONTROVERSY

24. Pursuant to the terms of their respective policies, each defendant insurer agreed to indemnify and defend United States Radium Corporation and/or USR Industries, Inc., USR Metals, Inc., USR Lighting, Inc., Safety Light Corporation, USR Chemicals, Inc. and U.S. Natural Resources, Inc. (hereinafter referred to collectively as "the insureds") against certain liabilities arising out of various risks, including liabilities for personal or bodily injury and property damage, for which the insureds are and/or were responsible, occurring during the policy periods of their respective policies.

25. Pursuant to the terms of their respective policies, each defendant insurer has a duty to defend all lawsuits and claims filed against its insureds for which its insureds have potential liability of the nature hereinabove described.

26. Defendant, INA, contractually agreed to indemnify and defend United States Radium Corporation against such liabilities and claims pursuant to one or more policies in effect for all or a portion of the period prior to and through 1979.

27. Defendant, Fireman's Fund, contractually agreed to indemnify and defend United States Radium Corporation against such liabilities and claims pursuant to one or more policies in effect for all or a portion of the period 1970 through 1979.

28. Defendant, National Union, contractually agreed to indemnify and defend United States Radium Corporation against such liabilities and claims pursuant to one or more policies in effect during the period 1979 through 1981.

29. Defendant, First State, contractually agreed to indemnify and defend USR Industries, Inc. against such liabilities and claims pursuant to one or more policies in effect during the period 1982 through 1983.

30. Defendant, Federal, contractually agreed to indemnify and defend United States Radium Corporation against such liabilities and claims pursuant to one or more policies in effect during the periods 1945 through 1954 and 1973 through 1977.

31. Defendant, California Union, contractually agreed to indemnify and defend United States Radium Corporation against such liabilities and claims pursuant to one or more policies in effect during the period 1978 through 1979.

32. Defendant, St. Paul, contractually agreed to indemnify and defend United States Radium Corporation against such liabilities and claims pursuant to one or more policies in effect during the period 1979 through 1981.

33. Defendant, Mission, contractually agreed to indemnify and defend United States Radium Corporation, USR Industries, Inc., USR Metals, Inc., USR Lighting, Inc., USR Chemicals, Inc., US Natural Resources, Inc., and Safety Light Corporation against such liabilities and claims pursuant to one or more policies in effect during the period 1979 through 1982.

34. Defendant, Puritan, contractually agreed to indemnify and defend USR Industries, Inc. and Safety Light Corporation against such liabilities and claims pursuant to one or more policies in effect during the period 1982 through 1983.

35. Defendant, Midland, contractually agreed to indemnify and defend USR Industries, Inc. against such liabilities and claims pursuant to one or more policies in effect during the period 1981 through 1982.

36. Defendant, Ambassador, contractually agreed to indemnify and defend Safety Light Corporation against such liabilities and claims pursuant to one or more policies in effect during the period 1982 through 1983.

37. Defendant, Integrity, contractually agreed to indemnify and defend USR Industries, Inc. against such liabilities and claims pursuant to one or more policies in effect during the period 1982 through 1984.

38. Defendant, Hartford, contractually agreed to indemnify and defend United States Radium Corporation, USA Industries, Inc., USA Metals, Inc., USA Lighting, Inc. against such liabilities and claims pursuant to one or more policies in effect during the periods 1942 through 1945 and 1983 through 1984.

39. Defendant, Royal Indemnity, contractually agreed to indemnify and defend USA Industries, Inc., USA Metals, Inc. and USA Lighting, Inc. against such liabilities and claims pursuant to one or more policies in effect during the period 1984 through 1985.

40. Defendant, Aetna, contractually agreed to indemnify and defend United States Radium Corporation against such liabilities and claims pursuant to one or more policies in effect during the period 1919 through 1920.

41. Defendant, Commercial Union, contractually agreed to indemnify and defend United States Radium Corporation against such liabilities and claims pursuant to one or more policies in effect during the period 1942 through 1945.

42. Defendant, Lexington, contractually agreed to indemnify and defend United States Radium Corporation against such liabilities and claims pursuant to one or more policies in effect during the period 1977 through 1979.

43. Defendant, Southern American, contractually agreed to indemnify and defend USR Industries, Inc., USR Metals, Inc. and USR Lighting, Inc. against such liabilities and claims pursuant to one or more policies in effect during the period 1984.

44. Defendant, Travelers, contractually agreed to indemnify and defend Safety Light Corporation against such liabilities and claims pursuant to one or more policies in effect during the period 1982 through 1984.

45. On information and belief, defendants, John Doe Companies 1-100, contractually agreed to indemnify and defend the insureds against such liabilities and claims pursuant to one or more policies in effect for all or a portion of the relevant time periods.

46. Plaintiffs, USR Industries, Inc., USR Metals, Inc., USR Lighting, Inc., Safety Light Corporation, USR Chemicals, Inc. and U.S. Natural Resources, Inc. have been named as defendants in several actions filed in the Superior Court of New Jersey, described hereinafter in paragraphs 48 to 50, and in an action filed in the United States District Court, District of New Jersey, described hereinafter in paragraph 53. The plaintiffs in these actions seek damages for property damage and personal or bodily injury allegedly resulting from exposure of person and property to radiation allegedly emanating from the former site of

the former United States Radium Corporation and from certain other locations allegedly containing landfill which is alleged to have originated at the former United States Radium Corporation site. Such property damage and personal or bodily injury are claimed to have occurred on a continuous basis during the policy years of one or more of the policies referred to in paragraphs 25 to 46 above.

47. On March 25, 1981, an action entitled T&E Industries, Inc. v. United States Radium Corporation, et al., Docket No. L-41346-80, was commenced in the Superior Court of New Jersey. On December 13, 1983, plaintiff amended its complaint to name additional defendants including the insureds. Plaintiff is seeking to recover for property damage resulting from alleged contamination of the former site of the former United States Radium Corporation in Orange, New Jersey, a portion of which is owned and occupied by said plaintiff.

48. On December 6, 1982, an action entitled Zwain, et al. v. Safety Light Corporation et al., Docket No. L-19945-82, was commenced in the Superior Court of New Jersey against some of the insureds and other defendants. Plaintiffs sought recovery for property damage and personal or bodily injury resulting from alleged contamination of the former site of the former United States Radium Corporation in Orange, New Jersey, a portion of which is owned and occupied by said plaintiffs. The individual

plaintiffs also sought recovery for alleged emotional distress and loss of consortium resulting from their allegedly injurious exposure to radiation. In or about September, 1987, defendants, INA, Hartford, St. Paul, Puritan and Midland agreed to provide \$150,000.00 in full settlement of this action, subject to a reservation of rights to contest liability at a later date.

49. On January 23, 1984, an action entitled Jackson, et al. v. Safety Light Corporation, et al., Docket No. L005135-84 was commenced in the Superior Court of New Jersey. The action initially named Safety Light Corporation as a defendant. On March 13, 1984, plaintiffs amended their complaint to name some of the other insureds as additional defendants. On February 29, 1984, an action entitled Allen, et al. v. United States Radium Corporation, et al., Docket No. L13851-84 was commenced in the Superior Court of New Jersey against the insured and other defendants. On October 30, 1984, an action entitled Gatto, et al., v. United States Radium Corp., et al., Docket No. L6033284, was commenced in the Superior Court of New Jersey against the insureds. On November 19, 1985, an action entitled Douglass, et al. v. Safety Light Corporation, et al., Docket No. L-089653-85, was commenced in the Superior Court of New Jersey against the insureds. On November 27, 1985, an action entitled Stephens, et al. v. United States Radium Corporation, et al., Docket No. L-091247-85, was commenced against the insureds in the Superior Court of New Jersey. On May 15, 1986, an action entitled Estate

of Alexander Masson, et al. v. United States Radium Corporation, et al., Docket No. L-055737-86, was commenced in the Superior Court of New Jersey against the insureds. The plaintiffs in all six (6) actions are, or were, residents of the towns of Glen Ridge, Montclair and West Orange, New Jersey, and are seeking to recover for property damage and personal or bodily injury resulting from alleged exposure to radiation which has allegedly been discovered in or around their homes and which plaintiffs allege emanated from landfill which is alleged to have originated at the former United States Radium Corporation site in Orange, New Jersey.

50. By letters dated October 26, 1983, October 4, 1983 and December 14, 1984 the United States Environmental Protection Agency ("EPA") notified the insureds that the EPA had determined them to be potentially responsible parties under the Comprehensive Environmental Response Compensation Liability Act of 1980, 42 U.S.C. §9601, et seq., for certain remediation work at the former United States Radium Corporation site in Orange, New Jersey and at certain locations in the towns of Glen Ridge, Montclair and West Orange.

51. By letter dated November 26, 1986, the EPA notified the former United States Radium Corporation that EPA had determined it to be a potentially responsible party under the Comprehensive Environmental Response Compensation Liability Act of

1980, as amended, 42 U.S.C. § 9601, et seq., for certain remediation work at the Maxey Flats Disposal Site located in Morehead, Kentucky. EPA alleges the former United States Radium Corporation generated and arranged for the disposal of a certain amount of the radioactive waste materials present at the site.

52. On March 27, 1987, an action entitled T&E Industries, Inc. v. Safety Light Corporation, et al., Civil Action No. 87-1088, was commenced in the United States District Court, District of New Jersey. Plaintiff seeks a judgment that the insureds are responsible for all response costs incurred or to be incurred by it as the result of alleged contamination of the former United States Radium Corporation site in Orange, New Jersey. Plaintiff also requests injunctive relief compelling the insureds to expend funds to investigate and remediate the alleged contamination at the site. In December, 1988, defendants INA, Hartford, Puritan and Midland agreed to provide certain monies towards construction of a security fence around vacant portions of the Orange site, subject to a reservation of rights to contest liability at a later date.

53. By letter dated August 9, 1988, the EPA notified plaintiff, Safety Light Corporation, that EPA had determined it to be a potentially responsible party under the Comprehensive Environmental Response Compensation Liability Act of 1980, as amended, 42 U.S.C. §9601 et seq., for contributing towards the

costs of certain remediation work at the Kin Buc landfill site located in Edison, New Jersey. EPA alleged Safety Light Corporation generated and arranged for the disposal of a certain amount of the waste materials present at the site. In or about August, 1988, defendants, INA, Puritan and St. Paul, agreed to provide all monies necessary to resolve EPA's claim against plaintiff, subject to a reservation of rights to contest liability at a later date.

54. By order dated March 16, 1989, the United States Nuclear Regulatory Commission ("USNRC") ordered the insureds to immediately undertake the preparation and implementation of a plan for site characterization and decontamination of certain property located in Bloomsburg, Pennsylvania. The property had been occupied by the former United States Radium Corporation since the 1940's and is currently occupied by Safety Light Corporation and USR Metals, Inc. It is alleged by the USNRC that radioactive contamination on the property, and the migration of same offsite, present a threat to health and the environment.

55. The plaintiffs in the instant action have incurred and are continuing to incur substantial liabilities in the form of expenses for the defense of the actions and claims hereinabove referred to and plaintiffs have already paid substantial amounts with respect thereto. Each defendant insurer is obligated to indemnify the plaintiffs against such liabilities and expenses.

56. In or about November, 1984, defendant, Hartford, agreed to assume the defense of USR Industries, Inc., USR Metals, Inc. and USR Lighting, Inc. This defense was undertaken by Hartford under a reservation of rights to contest liability at a later date. In or about September, 1985, defendants Hartford, INA, St. Paul, Puritan and Midland agreed to assume the defense of all of the insureds in the T&E Industries, Inc., Zwain, Jackson, Allen and Gatto actions under a reservation of rights to contest liability at a later date. In or about 1987, the same defendants agreed to also assume the defense of all of the insureds in the Douglass, Stephens and Masson matters, subject to the same reservation of rights. In or about 1988, defendant, INA, agreed to assume the defense of the insureds in the Maxey Flats claim, subject to the same reservation of rights.

57. By settlement agreement dated May 17, 1985, plaintiffs and Travelers agreed to endorse Travelers' policies to provide that no comprehensive general liability or contractual liability coverage would be afforded for certain claims, including inter alia all property damage or bodily injury claims "allegedly arising out of the premises, operations, products, materials or waste of the former Orange, New Jersey site of the United States Radium Corporation". At the time, all claims forming the basis for this action related, either directly or indirectly, to the former Orange site; Travelers was therefore dismissed from this action by Stipulation dated May 17, 1985.

Subsequently, the Maxey Flats and NRC claims have been asserted against the insureds. Both claims relate to the Bloomsburg, Pennsylvania site of Safety Light Corporation and fall within the category of claims for which Travelers expressly acknowledged in the settlement agreement the existence of comprehensive general liability and contractual liability coverage under the Travelers policies.

58. Each defendant has a duty and obligation to defend and to indemnify plaintiffs in some or all of the actions and claims hereinabove referred to. However, contrary to its duties and obligations under its respective insurance policies or agreements to defend the insureds with respect to the aforesaid actions, each defendant has wrongfully failed or refused to defend plaintiffs, with the exception, in varying degrees, of defendants, Hartford, INA, St. Paul, Puritan and Midland, against the aforesaid actions and claims and has wrongfully failed or refused to indemnify plaintiffs against all liability and expenses incurred in connection therewith.

WHEREFORE, plaintiffs USR Industries, Inc., USR Metals, Inc., USR Lighting, Inc., Safety Light Corporation, USR Chemicals, Inc. and U.S. Natural Resources, Inc. demand judgment against all defendants:

(1) Requiring each defendant to indemnify and defend plaintiffs against all liability, loss or expense caused by rea-

son of the aforementioned lawsuits and claims.

(2) Preliminarily and permanently enjoining each defendant from failing and refusing (a) to defend plaintiffs in all of the aforementioned lawsuits and claims, and (b) to indemnify against all liabilities and expenses which have been and will be incurred with respect to any such lawsuit or claim;

(3) Preliminarily and permanently granting plaintiffs specific performance of the contracts of insurance issued by defendants;

(4) Declaring and adjudging the rights and obligations of the parties under the respective insurance policies issued to the insureds or agreements entered into with the insureds with respect to past and future liabilities of the insureds arising from lawsuits or claims for property damage and personal or bodily injury to third persons allegedly resulting from radioactive contamination.

(5) For compensatory and punitive damages;

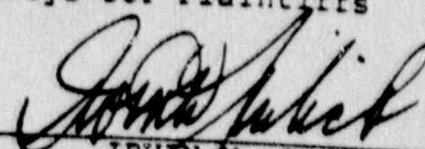
(6) For costs of suit;

(7) For counsel fees; and

(8) For such other and further relief as the Court may deem proper and just.

HANNOCH WEISMAN
Attorneys for Plaintiffs

By



IRVIN M. FREILICH
A Member of the Firm

DATED: July 20, 1989

FURTHER ORDERED that plaintiffs shall file the Third Amended Complaint within _____ days from the date hereof; and it is

FURTHER ORDERED that a copy of this order shall be served on all counsel within _____ days from the date hereof.

MARILYN LOFTUS

J.S.C.

Papers Considered:

_____ Notice of Motion
_____ Movant's Affidavits
_____ Movant's Brief
_____ Answerinf Affidavits
_____ Answering Brief
_____ Cross-Motion
_____ Movant's Reply
_____ Other _____

ATTACHMENT 6