

40-8724

June 23, 1981



Chemetron Corporation
ATTN: Raymond Fries, Vice President
Two Oliver Plaza
Pittsburgh, PA 15222

Gentlemen:

This is in reply to Mr. Desman's letter of May 18, 1981. We understand that Chemetron is considering proposals to complete decontamination of the McGean plant site but that contracting is being deferred pending the outcome of Mr. Fonner's informal discussion with the Office of Nuclear Material Safety and Safeguards (NMSS) regarding onsite burial. We have been informed that the matter was discussed and that the matter of onsite burial is being prepared for consideration by the Commission as a generic issue. As such, we expect that it will be some time before a finding will be reached in the matter. Meanwhile, your license, SUB-1357, should not be permitted to expire and you are obliged to make timely application to renew it in order to be in compliance while continuing to possess licenseable material. Correspondence on this matter should be addressed to Mr. R. G. Page, Chief of the Uranium Licensing Branch of NMSS.

As to the matter of the radioactive material at the McGean dump site, we regard it as a separate issue, albeit, one possibly amenable to a common solution if onsite burial at the plant site is permitted. However, we believe that the efforts to resolve the dump site problem should not be held in abeyance awaiting the outcome of the larger issue of decontamination of the McGean Plant Site.

Neither should any dispute between Chemetron and McGean delay resolution of the problem. The matter is strongly perceived by some members of the public as having health and safety implications. If the solution is in fact a relatively simple one involving removal of only a few truckloads of material as suggested by your contractors' surveys, it is in the public interest to do so. If the matter is not so simple, it is equally important to know that also.

Our basic position remains that the material was improperly disposed of to the dump site in that a proper evaluation was not done to show that regulatory requirements were met. This was the essence of the noncompliance that resulted from our investigation and which was transmitted to you with our letter of

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Discussed with Dudley Thompson 6/23, 1/1
with R.G. Fonner 6/23
with Doug Sly 6/19

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Schumacher *(initials)*

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November 7, 1980. To date, this matter remains unresolved. You have not, to our knowledge, made the requisite evaluation to demonstrate that the disposal or transfer was authorized, nor have you removed the material from the dump and returned it to the plant site whence it came.

Please advise us within twenty days of the steps you plan to take to correct the violation identified at the dump site.

Sincerely,

James G. Keppler
Director

cc: R. L. Fanner, NRC
R. J. Desman, Chemetron
R. G. Page, NMSS, NRC
R. J. Zellner - McGean
DMB/Document Control Desk (RIDS)

OFFICE						
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DATE						

May 18, 1981

Mr. James E. Keppler, Director
Nuclear Regulatory Commission
Region III
799 Roosevelt Road
Glen Ellyn, Illinois 60137

Dear Mr. Keppler:

During the meeting of April 15, 1981 at the NRC Region III headquarters in Glen Ellyn, Illinois, Mr. Robert L. Fonnor of the Office of the Executive Legal Director of the NRC indicated that he would explore with the Licensing Branch of the NRC the possibility of the issuance of a special permit to allow for burial on-site at the McGean Chemical Company, Inc., 2910 Harvard Avenue, Newburgh Heights, Ohio plant facility contaminated material from both the McGean dump site and McGean plant site. The permit, if granted, would be under conditions similar to those formerly authorized by 10 CRF 20.304 under a plan that had been explored previously with NL Industries, the former decontamination contractor at the McGean plant site.

With respect to Chemetron Corporation's obligations to decontaminate the McGean plant facility pursuant to its NRC License SUB-1357, please be informed that Chemetron has obtained proposals and bids from three decontamination contractors. These proposals all provide for the off-site disposal of contaminated material under present NRC regulations by shipment to licensed disposal facilities.

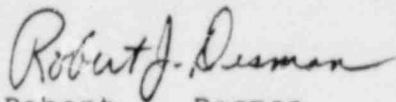
In light of the possibility of the NRC granting permission for the more cost effective on-site burial approach mentioned above, Chemetron has deferred entering into a contract for the completion of the decontamination of the McGean plant facility with one of these three contractors, pending the outcome of Mr. Fonnor's inquiry relating to on-site burial.

In the event on-site burial at the McGean plant facility is permitted by the NRC, Chemetron would obtain revised proposals from the contractors to reflect the change in the nature of the decontamination work to be performed at the McGean plant site.

Whichever decontamination approach is ultimately adopted for the McGean plant facility, Chemetron will need an extension of the July 31, 1981 expiration date on its License SUB-1357, and will make application therefor following Mr. Fonner's inquiries when it knows which method of disposal will be permitted.

We shall await the results of the on-site burial inquiry from Mr. Fonner.

Very truly yours,



Robert J. Desman
Counsel for Chemetron Corporation

RSF/aj/B7-8

cc: R. L. Fonner
R. S. Fries
P. Guinn
R. J. Zellner - McGean