

NOTICE OF VIOLATION

Shieldalloy Metallurgical Corporation  
Cambridge, Ohio

License No. SMB-1507  
Docket No. 040-08948

During an NRC inspection conducted from October 6, 1993 through January 13, 1994, violations of NRC requirements were identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, the violations are listed below:

1. 10 CFR 20.203(e)(2) requires in part, that each area in which natural uranium or thorium is used or stored in any amount exceeding one hundred times the quantity specified in Appendix C of this part be conspicuously posted with a sign or signs bearing the radiation caution symbol and the words: "Caution Radioactive Material(s)." The quantity specified in Appendix C of 10 CFR 20 is 100 microcuries for both natural uranium and natural thorium.

Contrary to the above, on December 13, 1993, the perimeter of the West Slag Pile, containing approximately 7.24 curies (267.9 gigabecquerels [GBq]) uranium-238, 6.15 curies (227.6 GBq) thorium-232, and 5.98 curies (221.3 GBq) of radium-226, was not conspicuously posted with signs bearing the radiation symbol and words: "Caution Radioactive Material(s)."

This is a Severity Level IV violation (Supplement IV).

2. 10 CFR 20.207(a) requires that licensed materials stored in an unrestricted area be secured against unauthorized removal from the place of storage. 10 CFR 20.207(b) requires that materials not in storage be under constant surveillance and immediate control of the licensee. As defined in 10 CFR 20.3(a)(17), an unrestricted area is any area to which access is not controlled by the licensee for purposes of protection of individuals from exposure to radiation and radioactive materials.

Contrary to the above, on December 13, 1993, licensed material in the West Pile, consisting of thorium, uranium and radium contaminated slag located at the Cambridge facility, an unrestricted area, was not secured against unauthorized removal, and was not under constant surveillance and immediate control of the licensee.

This is a Severity Level IV violation (Supplement IV).

Pursuant to the provisions of 10 CFR 2.201, Shieldalloy Metallurgical Corporation is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, Region III, 801 Warrenville Road, Lisle, Illinois 60532-5351, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each

violation: (1) the reason for the violation, or if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations; and (4) the date when full compliance will be achieved. If an adequate reply is not received within the time specified in this Notice, an order or a demand for information may be issued as to why the license should not be modified, suspended, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

FEB 02 1994

Dated \_\_\_\_\_