

APR 18 1962

40-943

Wah Chang Smelting and  
Refining Company  
63 Herhill Road  
Glen Cove, New York

Attention: Mr. Allen Lau  
Assistant Treasurer

Gentlemen:

This refers to the inspection conducted on August 7, 1961, of your activities authorized under AEC Source Material License No. SMB-135.

It appears that certain of your activities were not conducted in full compliance with the requirements of the AEC's "Standards for Protection Against Radiation," Part 20, and "Licensing of Source Material," Part 40, Title 10, Code of Federal Regulations, in that:

1. Source material was transferred to the Wah Chang facility at Fairlawn, New Jersey, a facility not holding an AEC license to possess and use source material, in violation of Section 40.3, "License requirements."
2. Air surveys and radiation surveys were not conducted to determine the hazards resulting from the processing of source material and to determine compliance with the various requirements of 10 CFR 20, in violation of Section 20.201(b), "Surveys."
3. The source material storage shed was not posted in the manner required by Section 20.203(b), "Caution signs, labels and signals."
4. The storage shed and the storage room in the induction building where source material was stored were not posted as required by Section 20.203(e)(2), "Caution signs, labels and signals."

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REGISTERED MAIL  
RETURN RECEIPT REQUESTED

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PDR FOIA  
LIVORNES93-65 PDR

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Wah Chang Smelting and  
Refining Company

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5. The metal container in which 600 pounds of waste Thorium oxide was stored in the storage shed and three crucibles, each containing about 300 pounds of Thorium oxide in the storage room of the induction building, were not labeled as required by Section 20.203(f)(2) and (f)(4), "Caution signs, labels and signals."
6. Records of air surveys performed during Thorium oxide production were not maintained in the units required by Section 20.401(b), "Records of surveys, radiation monitoring and disposal."

Pursuant to the provisions of Section 2.201, "Notice of violation," of the AEC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, you are required to notify this office in writing within thirty days of your receipt of this notice, admitting or denying the alleged violations, the reasons for the violations if admitted, the corrective steps taken or to be instituted in achieving correction and preventing further violations, and the date when full compliance has been or will be achieved.

We note that deficiencies similar to those described in Items 2, 3 and 5 were directed to your attention in our notice of violation to you dated October 14, 1957. Your reply will be considered by the Commission in determining what further action, if any, may be taken with respect to the deficiencies noted above.

Very truly yours,

cc: Compliance Div., HQ  
Compliance Div., I  
Public Document Room

Eber R. Price  
Assistant Director  
Division of Licensing and Regulation

Enclosures:

1. 10 CFR 20
2. 10 CFR 40
3. 10 CFR 2