

LR:RH
40-6398

OCT 8 1962

Wah Chang Smelting and
Refining Company
P. O. Box 266
Albany, Oregon

Attention: Mr. A. G. Jones
Manager of Services

Gentlemen:

This refers to the inspection conducted on July 18, 1962 of your activities authorized under Source Material License No. STC-395.

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

1. Thorium oxide was used as refractory wall lining material contrary to License Condition No. 3 which limited the use of this material to storage only.

On August 1, 1962, Source Material License No. STC-395 was amended authorizing the use of thorium oxide for refractory wall lining material.

2. Numerous containers of thorium oxide were not labeled as required by 10 CFR 20.203(c)(2) and (c)(4), "Warning signs, labels and signals."

This notice is sent to you 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, a copy of which is enclosed. This regulation requires that you be notified that you must notify this office in writing within thirty days of your receipt of this notice, admitting or denying the alleged violations,

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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.

In addition, 10 CFR 2.201(b) requires that you be notified that, if an adequate reply is not received within thirty days of your receipt of this letter, an order may be issued to show cause why the license should not be modified, suspended, or revoked or such other action may be taken as may be proper.

Enclosed is a sample sign containing the coloring, wording and symbol which meets the requirements of 10 CFR 20.203(f)(2). Signs more suitable for labeling might be procured from a radioisotope supplier or a commercial sign company.

Very truly yours,

Eber R. Price
Assistant Director
Division of Licensing
and Regulation

Enclosures:

1. 10 CFR 20
2. 10 CFR 2
3. Sign: "Caution - Radioactive Material"

bcc: Compliance Div., HQ
Compliance Div., V
Public Document Room