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WAH CHANG CORPORATION

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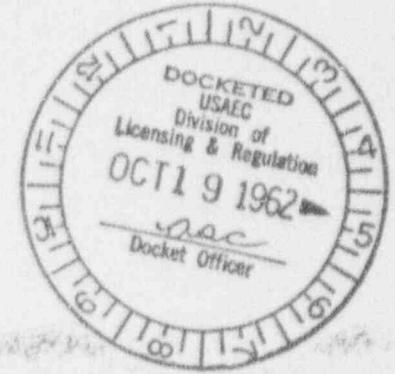
bringing tomorrow closer with new metals.

16 October 1962

United States Atomic Energy Commission
Division of Licensing and Regulation
Washington 25, D. C.

Attn: Mr. Eber R. Price, Asst. Director

Re: IR:RH 40-6398



Gentlemen:

We wish to acknowledge receipt of your letter of October 8 in regard to the inspection conducted on July 18, 1962.

1. "Thorium Oxide was used as refractory wall lining material contrary to License Condition 8 which limited the use of this material to storage only."

We regret that this use occurred prior to the proper official receipt of the license. Investigation showed that the refractory was used in one experimental furnace on a very important and pressing defense order. All proper precautions were taken in the handling and use of the refractory. This use was fully disclosed for examination by the inspector. We appreciate the importance of compliance with the license requirements and have informed all participants to this effect.

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

Several five (5) gallon containers stationed at or in a properly marked and locked thorium oxide storage room were labeled, but not with the standard radiation label. After the inspection, the containers were marked and labeled as per your regulations.

We trust that this letter will be accepted as satisfactory statement of fact, and that you will advise if further information is required.

Very truly yours,

WAH CHANG CORPORATION
ALBANY DIVISION

R. G. Jones
Manager of Services



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ACKNOWLEDGED