

40-7007



MARYLAND DEPARTMENT OF THE ENVIRONMENT
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William Donald Schaefer
Governor

David A.C. Carroll
Secretary

February 24, 1994

CERTIFIED MAIL

Richard G. Bangart, Director
Office of State Programs
U.S. Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike, 3rd Floor
Rockville, Maryland 20852

Dear Mr. Bangart:

This letter is in response to numerous telephonic inquiries by members of the Headquarters, United States Nuclear Regulatory Commission (USNRC) staff concerning the October, 1993 inspection of Neutron Products Inc. (NPI) by the Maryland Department of the Environment's (MDE) Radiological Health Program (RHP) with assistance by the NRC and the reason we have not issued a compliance letter. During the inspection there were various violations found that normally would have prompted the issuance of such a letter to NPI. However, I made the decision not to issue a compliance letter for the following reasons:

1. Representatives of the MDE and NRC inspection team jointly agreed prior to the inspection, that the primary function of the inspection team was to identify potential pathways of uncontrolled radioactive material released from the NPI facility.
2. Violations found regarding licensee failure to evaluate effluent releases, shielding and storage of radioactive waste and the construction of an interim waste storage facility were, for the most part, connected with the January 3, 1994 Montgomery County District Court trial. A compliance letter would not have resolved these issues prior to the trial, nor would it have placed any greater emphasis than the trial charges had already accomplished.

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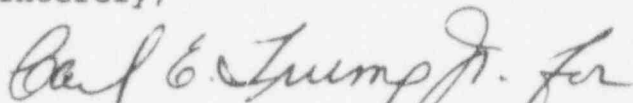
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3. Violations of NPI's license, particularly Amendment-33, were found, but no resolution to these problems would have occurred for the reason stated in Item 2.
- 4 NPI was found in violation of certain activities within their operating procedures. However, these procedures are not tied down to their current license. The situation will be remedied with the renewal of the NPI license.

In summary, the decision made by MDE recognized the importance of the outcome of the court ruling on compliance matters. As we anticipated, the Stipulation and Settlement Agreement resulting from the January 3, 1994 Montgomery County District Court decision will resolve all of the above items except Item 4. The RHP staff can now devote more effort to the renewal of NPI's - 01 license.

Should there be any questions concerning this letter, please contact Mr. Carl Trump, Jr., Mr. Ray Manley or me at (410) 631-3301.

Sincerely,



Roland G. Fletcher, Administrator
Radiological Health Program

RGF/haw

cc: Craig Gordon, USNRC Reg 1
Bob Kulikowski, OAS
NYC RHP