

# SAFETY LIGHT CORPORATION

4150-A OLD BERWICK ROAD BLOOMSBURG, PA 17815  
717-784-4344 FAX 717-784-1402

27 July 1990

U.S. NUCLEAR REGULATORY COMMISSION  
REGION 1  
NUCLEAR MATERIAL SECTION B  
475 ALLENDALE ROAD  
KING OF PRUSSIA, PA 19406

RE: Safety Light Corp. Docket Nos. 030-5980, 5981, 5932, 8335 and  
8444; Decommissioning Funding Submittal.

Gentlemen:

10 CFR 5 30.32 calls for existing licensees authorized to possess nuclear byproduct material to submit a decommissioning funding plan or certification by this date. For Safety Light Corp., the decommissioning funding amount specified in the regulation is \$750,000.

Safety Light has endeavored to obtain a surety bond to provide the \$750,000 financial assurance, but has been thus far unsuccessful. We have approached bonding companies seeking surety bonds in the amount prescribed by the NRC rule, but such companies have been unwilling to extend such a guarantee. Enclosed are two letters from bonding companies (the Lenzi McKendy Co. and Universal Service Agency) declining to provide Safety Light the necessary bond.

As detailed in the recent proceeding before the Atomic Safety and Licensing Board, Safety Light Corp. has pending claims against seventeen insurance carriers relating to the decontamination of Safety Light's Bloomsburg site (letter from G. Charnoff to ASLB dated Dec. 31, 1989). The coverage under these seventeen policies could amount to many millions of dollars; but, as you know, this coverage is subject to many competing claims and to disputes with the insurers.

Safety Light therefore requests that the NRC consider the coverage and claims under these insurance policies as providing the required level of surety. If you determine that this proposal does not satisfy your decommissioning regulation, Safety Light respectfully requests an exemption pursuant to 10 CFR 5 30.11, as further compliance is impossible at this time.

. . . . . Continued

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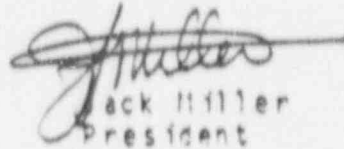
up dated on 1/22/91

**SAFETY LIGHT CORPORATION**

U.S. Nuclear Regulatory Commission  
27 July 1990  
Page Two

Enclosed is a check for the \$150.00 application fee prescribed by 10 CFR 5 170.31. We are, of course, willing to meet with you to answer any questions and explore this matter further.

Sincerely,  
SAFETY LIGHT CORPORATION

  
Jack Miller  
President

JTM:cwl  
enclosures



# Universal Service Agency, Inc. \_\_\_\_\_

SUSAN A. SALLADA, C I C  
President

RECEIVED  
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SAFETY LIGHT  
CORPORATION

July 5, 1990

Mr. Jack Miller  
President  
Safety Light Corporation  
4150-A Old Berwick Road  
Bloomsburg, PA 17815

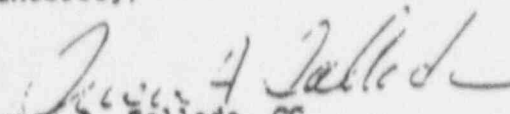
Dear Jack:

To reaffirm our conversation of yesterday, if Safety Light Corporation wishes to obtain a surety bond guaranteeing a \$750,000 financial obligation to the U. S. Nuclear Regulating Commission, the principal stockholders of the corporation will have to personally indemnify the surety company for the obligation.

If you wish to pursue the surety bond, please provide me with personal financial statements and a copy of the accountant's cover letter from the corporation's statement dated 12/31/89.

If you have any additional questions, please do not hesitate to call.

Sincerely,

  
Susan A. Sallada, CC

sts/salli

cc: Hank Church, E. H. Devine

# THE LENZI McKENDRY COMPANY

BONDS & INSURANCE

MENNONITE CHURCH ROAD

P.O. DRAWER D

SPRING CITY, PA 19475

(215) 948-9400

FAX (215) 948-5631

RECEIVED  
MAR 22 1990

March 20, 1990

SAFETY LIGHT  
CORPORATION

Mr. Jack Miller, President  
Safety Light Corporation  
4150-A Old Berwick Road  
Bloomsburg, PA 17815

Dear Mr. Miller,

I am in receipt of the information you provided with your request for a \$750,000 surety bond to satisfy the decommissioning requirement established by the Nuclear Regulatory Commission.

I have discussed the information and the requirement with the Bonding Companies that I represent and I must inform you that none of these companies are willing to issue the bond. In light of the fact that the Commission permits licensees to establish Trust funds, escrow accounts, certificates of deposit or deposit of government securities, it has been suggested by the Bonding Companies that you take that route to satisfy the requirement.

I'm sorry I could be of no help in this matter. If you have any questions or require any additional information, please let me know.

Very truly yours,

  
Gerald P. McKendry

GPM/pb



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

DPC 1. 1991

Mr. Jack Miller, President  
Safety Light Corporation  
4150-A Old Berwick Road  
Bloomsburg, PA 17815

Dear Mr. Miller:

SUBJECT: RESPONSE TO SAFETY LIGHT CORPORATION REQUEST TO USE COVERAGE  
UNDER INSURANCE POLICIES TO SATISFY DECOMMISSIONING FUNDING OR TO  
GRANT AN EXEMPTION UNDER 10 CFR 30.11 AND DEMAND FOR INFORMATION

This responds to your letter of July 27, 1990, to Region I concerning compliance with the Commission's financial assurance requirements set forth in 10 CFR 30.35. In your letter, you discuss your unsuccessful attempts to purchase surety bonds. Your letter further states that you have pending claims against seventeen insurance carriers relating to the decontamination of Safety Light's Bloomsburg site and that the coverage under these policies could amount to many millions of dollars, but that the coverage is subject to many competing claims with the insurers. You request that the Nuclear Regulatory Commission (NRC) consider the coverage and claims under the insurance policies as providing the required level of surety, and if this does not satisfy the decommissioning regulations, you request an exemption pursuant to 10 CFR 30.11.

In your letter you state that your financial assurance obligation under NRC regulations is \$750,000. We reviewed the possession limits in your licenses and find that your obligation for your two licenses, License Nos. 37-00030-02 and 37-00030-08, totals \$1.5 million (\$750,000 for each license). Compliance with these financial assurance requirements must be demonstrated within 30 days of the date of this letter.

If you wish to use insurance coverage for your financial assurance, you would need to provide an insurance policy for the appropriate amount written specifically for this purpose. This policy must satisfy the requirements of 10 CFR 30.35(f)(2). Your current insurance policies do not satisfy these requirements because, among other things, they do not provide that the full face amount be paid to the beneficiary automatically prior to the expiration without proof of forfeiture if the licensee fails to provide a replacement acceptable to the Commission within 30 days after receipt of notification of cancellation. Additionally, the insurance policies are not payable to a trust established for decommissioning costs, as required by § 30.35. Accordingly, your current insurance coverage is unacceptable.

With regard to your request for an exemption to the financial assurance requirements under 10 CFR 30.11, you have provided no grounds for an exemption and thus your request is denied.

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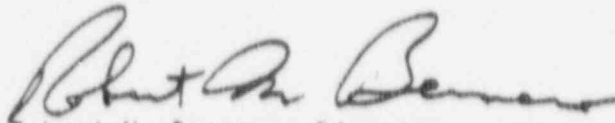
Mr. Jack Miller

- 2 -

As a separate matter, because your licenses were not renewed before the July 27, 1990, deadline, in accordance with 10 CFR 30.35(c), you are also required to submit decommissioning funding plans as provided in 10 CFR 30.35(e) and (f), before your licenses can be renewed. The decommissioning funding plans must provide a cost estimate for decommissioning, a selection of a financial assurance method [from 10 CFR 30.35(f)] for assuring funds for decommissioning, a copy of the method used to obtain the dollar value that is reflected in the cost estimate, and a means of adjusting the cost estimates and associated funding levels periodically over the life of the facility. NRC needs to consider your decommissioning funding plans in order to complete its reviews of your license renewal application packages, which are currently ongoing. Accordingly, pursuant to 10 CFR 30.32(b), you are required to submit in writing, under oath or affirmation, your decommissioning funding plans to NRC within 30 days of the date of this letter.

Also, enclosed is a Demand for Information that you must answer under oath or affirmation. You have already supplied some of the information requested in the attached Demand for Information, but NRC requires current information on which to base its decisions. Moreover, some of the prior information you supplied, for example in your letter of July 27, 1990, was not provided under oath or affirmation. Although NRC has relied on the information you supplied in your July 27 letter, even though you did not provide it under oath or affirmation, NRC requires you to confirm that information under oath or affirmation. NRC does not intend, however, to require you to resubmit information you have already provided to the staff. You may incorporate such information into your response to the Demand for Information by referring to the document containing the information by title and the date you submitted it to NRC, by indicating whether it is current or updating it, as appropriate, and by confirming it under oath or affirmation.

Sincerely,



Robert M. Bernero, Director  
Office of Nuclear Material Safety  
and Safeguards

Enclosure:  
Demand for Information



ENCLOSURE

UNITED STATES  
NUCLEAR REGULATORY COMMISSION

In the matter of

Safety Light Corporation  
4150-A Old Berwick Road  
Bloomsburg, PA 17815

}  
}

Docket Nos. 030-05980  
030-05982  
License Nos. 37-00030-02  
37-00030-08

DEMAND FOR INFORMATION

I

Safety Light Corporation (Licensee) holds byproduct and other radioactive materials license Nos. 37-00030-02 and 37-00030-08 (Licenses), issued by the Nuclear Regulatory Commission (NRC or Commission) pursuant to 10 C.F.R. Part 30. The Licenses authorize the Licensee to use and possess byproduct and other radioactive materials in accordance with the terms and conditions specified therein and the applicable regulations.

II

As of July 27, 1990, the Licensee was required to comply with 10 C.F.R. § 30.35 of the Commission's regulations, which requires licensees authorized to possess certain quantities of licensed materials having certain characteristics to submit either a decommissioning funding plan or a certification of financial assurance for decommissioning in the amount prescribed in 10 C.F.R. § 30.35, in accordance with the criteria set forth in that section. The NRC staff has not yet received the Licensee's decommissioning funding plan or certification of financial assurance, as required by 10 C.F.R. § 30.35(c). Therefore, the Licensee appears to be in violation of this requirement.

By letter dated July 27, 1990, Safety Light informed the NRC staff that, for Safety Light, the decommissioning funding amount specified in the regulations is \$750,000. In its July 27, 1990, letter, Safety Light (a) stated that it had endeavored to obtain a surety bond to provide the \$750,000 financial assurance, (b) stated that it had been unsuccessful in that endeavor, (c) requested the NRC to consider the coverage and claims under several particular insurance policies as satisfying 10 C.F.R. § 30.35, and, in the alternative, (d) requested an exemption from 10 C.F.R. § 30.35. For reasons given in a letter issued with this Demand for Information, the NRC staff refused to accept those insurance policies as satisfying 10 C.F.R. § 30.35 and has denied Safety Light's request for an exemption from that regulation.

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The violation of the requirements of 10 C.F.R. § 30.35 is a significant regulatory concern to the NRC staff. Therefore, further information is needed to determine whether the Commission will have reasonable assurance that the Licensee will satisfy the requirements of 10 C.F.R. § 30.35 and otherwise conduct its activities in accordance with the Commission's requirements.

III

Accordingly, pursuant to sections 161c, 161o, 182, and 186 of the Atomic Energy Act of 1954, as amended, and 10 C.F.R. § 30.32(b), in order for the Commission to determine whether your license should be modified, suspended, or revoked, or other enforcement action taken to ensure compliance with NRC regulatory requirements, the Licensee is required to submit to the Administrator, Region I, U.S. Nuclear Regulatory Commission, 475 Allendale Road, King of Prussia, PA 19406, within 30 days of the date of this Demand for Information, the following information, in writing and under oath or affirmation:

1. Confirmation of the information contained in the Licensee's letter of July 27, 1990;
2. If the Licensee has not obtained a commitment from a financial institution to provide the required financial instrument, a complete description of why the Licensee has not obtained the required instrument, including:
  - a. the names, addresses, and telephone numbers of the financial institutions and individual persons at those institutions that the Licensee has contacted in order to obtain the required instrument and the dates of principal contacts;
  - b. if the Licensee has applied to one or more financial institutions for a financial assurance instrument and the application or applications have been denied, copies of (i) the applications and denials; (ii) an explanation of why the applications were denied; (iii) the Licensee's most recent audited balance sheet showing all assets and liabilities; (iv) the Licensee's most recent audited profit and loss statement; (v) the Licensee's most recent audited detailed statement of income and expenses, including a statement of all salaries or wages paid to individuals and an itemized statement of overhead expenses; (vi) a detailed statement of the Licensee's income and expenses from January 1, 1990, to present, including a statement of all salaries or wages paid to individuals and an itemized statement of overhead expenses; and, (vii) the Licensee's federal tax returns for the last 2 years; and
  - c. a detailed description of any other steps the Licensee has taken in order to comply with 10 C.F.R. § 30.35;

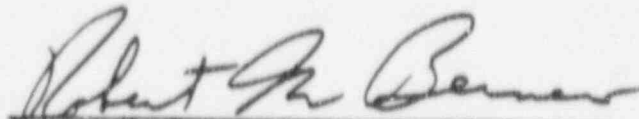
3. If the Licensee does not provide the required financial instrument within 30 days of the date of this Demand for Information, it shall provide:
  - a. a description of all disposals of radioactive material that have been made on site under 10 C.F.R. § 20.302 or § 20.304, including records of the disposals indicating their location, number, isotope, description, quantities, and dates of disposal;
  - b. a description of the nature of any contamination of buildings, equipment, soil, or groundwater, including area or volume contaminated, isotope, and concentrations per unit area or volume;
  - c. a description of the nature of any radioactive material in storage either as inventory, in production, or waste;
  - d. a description of any increase in the amount of accumulated radioactive waste or contamination of buildings, equipment, soil, or groundwater resulting from continuing operations, including the type of waste or contamination, its location, and the rate of increase per month;
  - e. a description of current plans to remove stored waste or decontaminate buildings, equipment, soil, or groundwater, including a schedule, identification of repository proposed to receive the waste or contaminated materials, and the source of funds for implementing the plans; and
  - f. in light of the findings and conclusions of the "Soil Coring/Monitoring Well Installation Program and Hydrogeological Evaluation of the Safety Light Facility, Bloomsburg, Pennsylvania", dated October 11, 1990, by Chem-Nuclear Systems, Inc., a description of the steps you propose (i) to reduce, to as low as is reasonably achievable, the releases of tritium to the environment that result from current operations and (ii) to minimize tritium contamination in soil, surface water, and groundwater;
4. If the Licensee does not submit the required instrument within 30 days of the date of this Demand for Information, the Licensee shall provide a statement demonstrating why the NRC staff should have confidence that the Licensee will be able to fully decontaminate its site.

Safety Light Corporation may provide the information required above by incorporating documents it previously submitted to the NRC by reference into its response to this Demand for Information provided it (1) identifies each such document by title and date, (2) explicitly states whether the information contained in each document remains current, (3) provides updated information where it identifies documents containing out-of-date information, and (4) confirms the accuracy of the information in each such document under oath or affirmation.

A copy shall also be sent to the Director, Division of Low-Level Waste Management and Decommissioning, Office of Nuclear Material Safety and Safeguards, Washington, D.C. 20555.

After reviewing your response, the NRC will determine whether further action is necessary to ensure compliance with regulatory requirements.

FOR THE NUCLEAR REGULATORY COMMISSION



Robert M. Bernero, Director  
Office of Nuclear Material Safety  
and Safeguards

Dated at Rockville, Maryland  
this 11 day of December, 1990

UNITED STATES  
NUCLEAR REGULATORY COMMISSION

In the matter of	Docket Nos.	030-05980
United States Radium Corporation		030-05981
USR Industries, Inc.		030-05982
USR Lighting, Inc.		030-08335
USR Chemical Products, Inc.		030-08444
USR Metals, Inc.	License Nos.	37-00030-02
U.S. Natural Resources, Inc.		37-00030-08
(Bloomsburg, Pennsylvania		37-00030-07E
Site Decommissioning Financial		37-00030-09G
Assurance)		37-00030-10G

DEMAND FOR INFORMATION

I

Safety Light Corporation is the named licensee on Byproduct Material License Nos. 37-00030-02, 37-00030-08, 37-00030-07E, 37-00030-09G, and 37-00030-10G, all of which the Nuclear Regulatory Commission (NRC or Commission) originally issued to United States Radium Corporation on or before December 13, 1971. On August 27, 1980, through a corporate reorganization, USR Industries became the sole owner of United States Radium. On November 24, 1980, United States Radium's name was changed to Safety Light Corporation. On May 24, 1982, USR Industries, Inc., sold Safety Light to three individuals. On March 16 and August 21, 1989, the NRC staff issued orders to United States Radium, USR Industries, Safety Light, and related companies in order to compel characterization of Safety Light's Bloomsburg, PA site and, ultimately, decontamination of that site. Safety Light and USR Industries requested hearings on these orders. On the basis of the May 24, 1982, transaction and the other circumstances giving rise to the proceeding, as described in detail in its opinion, the Atomic Safety and Licensing Appeal Board determined that the NRC staff has enforcement jurisdiction over USR Industries.\*

II

As of July 27, 1990, for existing licenses authorizing the possession of certain quantities of licensed materials having certain characteristics, 10 C.F.R. § 30.35 of the Commission's regulations required the submission of either a decommissioning funding plan or a certification of financial assurance for decommissioning in the amount prescribed in 10 C.F.R. § 30.35, in accordance with the criteria set forth in that section. The NRC staff has not yet received a decommissioning funding plan or certification of financial assurance from

\*Safety Light Corp. (Bloomsburg Site Decontamination), ALAB-931,  
31 NRC 350, 355 (1990).

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Safety Light or USR Industries, as required by 10 C.F.R. § 30.35(c). Therefore, this requirement appears to have been violated.

By letter dated July 27, 1990, Safety Light informed the NRC staff that, for Safety Light, the decommissioning funding amount specified in the regulations is \$750,000. In its July 27, 1990, letter, Safety Light: (a) stated that it had endeavored to obtain a surety bond to provide the \$750,000 financial assurance; (b) stated that it had been unsuccessful in that endeavor; (c) requested the NRC to consider the coverage and claims under several particular insurance policies, as satisfying 10 C.F.R. § 30.35; and, in the alternative, (d) requested an exemption from 10 C.F.R. § 30.35. For reasons given in a letter issued on December 11, 1990, and enclosed with this Demand for Information, the NRC staff denied Safety Light's request to consider those insurance policies as satisfying 10 C.F.R. § 30.35 and has denied Safety Light's request for an exemption from that regulation. USR Industries has not submitted any information to the NRC concerning compliance with 10 C.F.R. § 30.35.

The violation of the requirements of 10 C.F.R. § 30.35 is a significant regulatory concern to the NRC staff. Therefore, further information is needed, to determine whether the Commission will have reasonable assurance that 10 C.F.R. § 30.35 will be satisfied for the Bloomsburg site.

### III

Accordingly, pursuant to sections 161c, 161o, 182, and 186 of the Atomic Energy Act of 1954, as amended, and 10 C.F.R. § 30.32(b), in order for the Commission to determine whether to take enforcement action to ensure compliance with NRC regulatory requirements, USR Industries, Inc., is required to submit to the Administrator, Region I, U.S. Nuclear Regulatory Commission, 475 Allendale Road, King of Prussia, PA 19406, within 30 days of the date of this Demand for Information, the following information, in writing and under oath or affirmation:

1. If USR Industries believes that 10 C.F.R. § 30.35 does not apply to it, the basis for that determination;
2. If USR Industries has already submitted a surety instrument to the NRC, the date USR Industries submitted the surety instrument and the address USR Industries sent it to (if USR Industries has already submitted a surety instrument to the NRC, USR Industries need not satisfy the remaining requirements in this Demand for Information, unless notified by the Regional Administrator, Region I);
3. Whether USR Industries has obtained a commitment from a financial institution to provide the required financial instrument;
4. If USR Industries has obtained a commitment from a financial institution to provide the required financial instrument, when USR Industries expects to provide the instrument to the NRC and, if USR Industries does not provide the instrument within 30 days of the date of this Demand for Information, a complete explanation of why not must be provided in its place;



5. If USR Industries has not obtained a commitment from a financial institution to provide the required financial instrument:
  - a. copies of (i) USR Industries' most recent audited balance sheet showing all assets and liabilities; (ii) USR Industries' most recent audited profit and loss statement; (iii) USR Industries' most recent audited detailed statement of income and expenses; (iv) a detailed statement of USR Industries' income and expenses from January 1, 1990, to present; (v) USR Industries' Federal tax return for the last year;
  - b. a complete description of why USR Industries has not obtained the required instrument, including (i) copies of any applications to financial institutions for financial assurance instruments; (ii) if those applications have been denied, copies of the denials; and (iii) the names, addresses, and telephone numbers of the financial institutions and individual persons at those institutions that USR Industries has contacted in order to obtain the required instrument and the dates of principal contacts; and,
  - c. a detailed description of any other steps USR Industries has taken in order to comply with 10 C.F.R. § 30.35;
6. If USR Industries does not provide the required financial instrument within 30 days of the date of this Demand for Information, it shall provide:
  - a. a description of all disposals of radioactive material that have been made on site under 10 C.F.R. § 20.302 or § 20.304, including records of the disposals indicating their location, number, isotope, description, quantities, and dates of disposal;
  - b. a description of the nature of any contamination of buildings, equipment, soil, or groundwater, including area or volume contaminated, isotope, and concentrations per unit area or volume;
  - c. a description of the nature of any radioactive material in storage either as inventory, in production, or waste;
  - d. a description of any increase in the amount of accumulated radioactive waste or contamination of buildings, equipment, soil or groundwater resulting from continuing operations, including the type of waste or contamination, its location, and the rate of increase per month; and
  - e. a description of current plans to remove stored waste or decontaminate buildings, equipment, soil, or groundwater, including a schedule, identification of repository proposed to receive the waste or contaminated materials, and the source of funds for implementing the plans; and



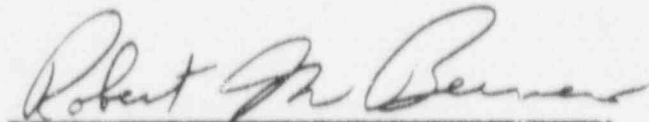
7. If USR Industries does not submit the required instrument within 30 days of the date of this Demand for Information, a statement demonstrating why the NRC staff should have confidence that it will be able to fully decontaminate the Bloomsburg site.

USR Industries may provide the information required above by incorporating documents it or Safety Light Corporation previously submitted to the NRC by reference into its response to this Demand for Information provided it: (1) identifies each such document by title and date; (2) explicitly states whether the information contained in each document remains current; (3) provides updated information where it identifies documents containing out-of-date information; and (4) confirms the accuracy of the information in each such document, under oath or affirmation.

A copy shall also be sent to the Director, Division of Low-Level Waste Management and Decommissioning, Office of Nuclear Material Safety and Safeguards, Washington, D.C. 20555.

After reviewing your response, the NRC will determine whether further action is necessary to ensure compliance with regulatory requirements.

FOR THE NUCLEAR REGULATORY COMMISSION



Robert M. Bernero, Director  
Office of Nuclear Material Safety  
and Safeguards

Dated at Rockville, Maryland  
this 3rd day of January, 1991



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

JAN 16 1991

Docket Nos. 030-05980, 030-05981,  
030-05982, 030-08336,  
and 030-08444

Board Notification: 91-01

MEMORANDUM FOR: Atomic Safety and Licensing Board  
and All Parties

FROM: John H. Austin, Chief  
Decommissioning and Regulatory  
Issues Branch  
Division of Low-Level Waste Management  
and Decommissioning, NMSS

SUBJECT: NEW INFORMATION POTENTIALLY RELEVANT AND MATERIAL TO BOARD  
PROCEEDING IN THE MATTER OF SAFETY LIGHT CORPORATION, UNITED  
STATES RADIUM CORPORATION, USR INDUSTRIES, INC., USR LIGHTING,  
INC., USR CHEMICAL PRODUCTS, INC., USR METALS, INC.,  
U.S. NATURAL RESOURCES, INC., LIME RIDGE INDUSTRIES, INC.,  
METREAL, INC., AND ALL OTHER SUCCESSOR CORPORATIONS TO EITHER  
USR INDUSTRIES, INC. OR U.S. RADIUM CORPORATION

In conformance with the Commission's policy on notification of Licensing Boards, and the Commission of new, relevant, and material information, this memorandum calls attention to a notification and Demand for Information sent to USR Industries, Inc., and others related to decommissioning funding required for License Numbers 37-00030-02 and 37-00030-08. The enclosed documents are being brought to the attention of the Licensing Board because they contain information which may be relevant and material to issues pending before the Board.

John H. Austin, Chief  
Decommissioning and Regulatory  
Issues Branch  
Division of Low-Level Waste Management  
and Decommissioning, NMSS

Enclosure:  
Letter and Demand for  
Information dated: January 3, 1991

cc: Attached List

~~4101170259~~ 2 pp.

Board Notification 91-01 dated JAN 16 1991

J. Taylor, EDO  
H. Thompson, EDO  
R. Bernero, NMSS  
G. Arlotto, NMSS  
W. Parler, OGC  
L. Chandler, OGC  
R. Cunningham, IMNS  
G. Sjoblom, IMNS  
T. Martin, RI  
J. Lieberman, OE  
SECY (3)