

MAR 08 1994

U.S. NUCLEAR REGULATORY COMMISSION  
REGION I

NOTICE OF LICENSEE MEETING

Name of Licensee: Ledoux & Company

Name of Facility: Ledoux & Company

Docket Nos.: 030-05260  
040-08188  
070-00314

Time and Date of Meeting: 1:00 P.M., March 15, 1994

Location of Meeting: U.S. Nuclear Regulatory Commission  
Region I  
475 Allendale Road  
King of Prussia, Pennsylvania 19406

Purpose of Meeting: Enforcement Conference regarding apparent violation of  
financial assurance for decommissioning requirements

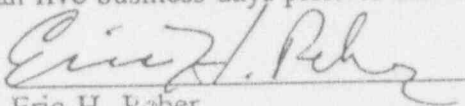
NRC Attendees: Charles W. Hehl, Director, Division of Radiation Safety and  
Safeguards  
Daniel J. Holody, Enforcement Officer  
Karla D. Smith, Regional Attorney  
Ronald R. Bellamy, Chief, Nuclear Materials Safety Branch  
Mohamed M. Shanbaky, Chief, Research and Development Section  
Eric H. Reber, Health Physicist

Licensee Attendance: Bruce Peterson, Vice President  
Other Licensee Staff

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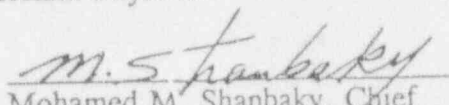
Note: This meeting is not open to the public. Attendance by NRC personnel at this meeting should be made known by March 15, 1994 by calling (610) 337-5276 to make arrangements. Handicapped persons requiring assistance to attend or participate in the meeting should make their requests known to, U.S. Nuclear Regulatory Commission, Region I, 475 Allendale Road, King of Prussia, PA., 19406, (610) 337-5276, no later than five business days prior to the meeting.

Prepared by:



Eric H. Reber  
Health Physicist

Reviewed by:



Mohamed M. Shanbaky, Chief  
Research and Development Section

Distribution:

James M. Taylor, Executive Director for Operations  
Hugh L. Thompson, Jr., Deputy Executive Director for Nuclear Materials Safety,  
Safeguards and Operations Support  
James Lieberman, Director, Office of Enforcement  
Robert M. Bernero, Director, Office of Nuclear Material Safety and Safeguards  
Victor M. McCree, Regional Coordinator, EDO  
Carl Paperiello, Director, Division of Industrial and Medical Nuclear  
Safety, NMSS  
John E. Glenn, Chief, Medical, Academic, and Commercial Use Safety Branch, NMSS  
Stephen H. Lewis, Senior Supervisory Enforcement Attorney, OGC  
Public Document Room (PDR)

bcc:

Regional Administrator  
Deputy Regional Administrator  
Division Directors  
Branch Chiefs  
Section Chiefs  
SLO  
Region I Receptionist  
PAO  
DRMA Files  
DRSS Files  
Constance Yusko, DRSS  
Roselyn Levin, DRMA  
M. J. Campion, RAO  
Eric H. Reber, DRSS

APPENDIX A  
NOTICE OF VIOLATION

DRAFT

Ledoux and Company  
Teaneck, New Jersey 07666

Docket Nos. 030-05260  
040-08188  
070-00314  
License Nos. 29-01442-01  
SMC-1181  
SNM-296

During an NRC inspection conducted on October 18 and 19, 1993, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, the violation is listed below:

10 CFR 30.35 (c)(2) requires that each holder of a specific license issued before July 27, 1990, and of a type described in 10 CFR 30.35 (a) shall submit a decommissioning funding plan or a certification of financial assurance in an amount at least equal to \$750,000.

10 CFR 40.36 (c)(3) requires that each holder of a specific license issued before July 27, 1990, and of a type described in 10 CFR 40.36 (b) shall submit a decommissioning funding plan or a certification of financial assurance in an amount at least equal to \$150,000.

10 CFR 70.25 (c)(2) requires that each holder of a specific license issued before July 27, 1990, and of a type described in 10 CFR 70.25 (a) shall submit a decommissioning funding plan or certification of financial assurance in an amount at least equal to \$750,000.

Contrary to the above, as of October 19, 1993, the licensee was a holder of a licenses issued before July 27, 1990, of types described in 10 CFR 30.35(a), 10 CFR 40.36(b), and 10 CFR 70.25(a) and failed to submit appropriate certifications of financial assurance or a complete decommissioning funding plan. Specifically, the licensee has failed to submit appropriate certifications of financial assurance in amounts at least equal to \$750,000 (for License No. 29-01442-01 as required by 10 CFR 30.35 (c)(2)), \$150,000 (for License No. SMC-1181 as required by 10 CFR 40.36 (c)(3)), and \$750,000 (for License No. SNM-296 as required by 10 CFR 70.25 (c)(2)) or a complete decommissioning funding plan which includes a decommissioning cost estimate and a financial assurance mechanism.

Pursuant to the provisions of 10 CFR 2.201, Ledoux and Company is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555, with a copy to the Regional Administrator, Region I, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include: (1) the reason for the violation, or, if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, and (3) the date when full compliance will be achieved. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued to show cause why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

Docket Nos. 030-05260  
040-08188  
070-00314

License Nos. 29-01442-01  
SMC-1181  
SNM-296

Ledoux and Company  
359 Alfred Avenue  
Teaneck, New Jersey 07666

### INSPECTION HISTORY

#### INSPECTION

#### RESULTS

93-001

Violation - 10 CFR 20.201(b) - Licensee did not make surveys of air effluents to unrestricted areas.

Violation - License No. SNM-296, LC 13 - Licensee did not take air samples during transfers of UF<sub>6</sub>. Licensee did not evaluate external radiation levels every week.

Violation - License No. SMC-1181, LC 12 - Licensee did not perform urinalysis semi-annually.

90-001

Violation - License No. SNM-296, LC 13 - Licensee did not post "radioactive" caution signs.

Violation - License No. SNM-296, LC 13 - Licensee did not calibrate survey instruments every six months.

Violation - License No. SNM-296, LC 13 - Licensee did not monitor all incoming packages containing radioactive material.

Violation - License No. SNM-296, LC 13 - Licensee did not perform wipe tests, take air samples, have employees monitor themselves before leaving a controlled area, or perform daily and weekly surveys.

Violation - License No. SNM-296, LC 13 - Licensee did not hold training sessions bimonthly.

Violation - License No. SMC-1181, LC 13 - Licensee did not perform urinalysis semi-annually.

Violation - License No. SMC-1181, LC 13 - Licensee did not calibrate survey instruments with the required radioactive sources.

88-001

Violation - 10 CFR 20.401(b) - Licensee did not maintain records of surveys of air effluents to unrestricted areas.

Docket Nos. 030-05260  
040-08188  
070-00314

License Nos. 29-01442-01  
SMC-1181  
SNM-296

### Summary of Communications

Ledoux letter dated October 30, 1990

Ledoux stated that they are evaluating financial assurance requirements.

Telephone conversation on January 13, 1992

In this telephone conversation, between Bruce Peterson and Steven Shaffer of our office, he stated that Ledoux is attempting to secure a bond to provide financial assurance for its licenses.

NRC Demand for Information dated August 18, 1992

Information was demanded concerning Ledoux's attempts to comply with financial assurance requirements.

Ledoux letter dated September 10, 1992

Ledoux provided a decommissioning cost estimate, but no financial assurance mechanism to cover the estimated amount.

NRC letter dated October 21, 1992

In response to Ledoux's September 10, 1992 submittal, Ledoux was asked to provide more information about its attempts to provide financial assurance and asked to provide more information concerning their decommissioning cost estimate.

Ledoux letter dated October 26, 1992

Ledoux provided information relating to its attempts to obtain financial assurance and stated that more information would be forthcoming.

Ledoux letter #1 dated December 7, 1992

Ledoux provided a decommissioning cost estimate prepared by a contractor and discussed why they believe the cost estimate could be reduced.

Ledoux letter #2 dated December 7, 1992

Ledoux responded to technical questions in a NRC letter dated October 21, 1992.

Ledoux letter dated January 6, 1993

Ledoux provided copies of two rejections received by their insurance agent after inquiries were made about obtaining a surety bond.

Ledoux letter dated November 5, 1993

Ledoux informed NRC that they intend to establish an escrow account as their financial assurance mechanism.

NRC letter dated November 16, 1993

Violations that were cited as a result of the inspection conducted October 18 and 19, 1993 and conversation in which they were informed of possible enforcement action that may be taken because they have not complied with financial assurance for decommissioning requirements were documented.

Telephone conversation on December 14, 1993

In this telephone conversation between Bruce Peterson, and Eric H. Reber and Mohamed M. Shanbaky, Ledoux was informed that NRC may take enforcement action in the near future if financial assurance is not provided for its licenses.

Ledoux letter dated December 28, 1993

Ledoux informed NRC that they need more time to provide a suitable financial assurance mechanism due to unforeseen circumstances.

Telephone conversation on January 5, 1994

In this telephone conversation between Bruce Peterson and Eric H. Reber, he stated that Ledoux is pursuing various financial assurance mechanisms, but have been unsuccessful.

Telephone conversation on February 28, 1994

In this telephone conversation between Bruce Peterson and Dr. Mohamed M. Shanbaky, representatives of Ledoux were invited to an Enforcement Conference to be held on March 15, 1994.