ATTACHMENT 1

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
799 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

June 22, 1982

Midstate Testing Laboratory, Inc.
ATTN: Mr. Richard Mason
7943 New Jersey Avenue
Hammond, IN 46323

License No. 13-11822-01

Gentlemen:

We understand that your facility has been padlocked by your landlord for nonpayment of rent. This office has been trying unsuccessfully to contact you by telephone for several weeks. Our major concern is the status of the licensed radioactive material in the facility.

I urgently request that you contact Carl J. Paperiello at 312/932-2500 so we can arrange for the removal of the sources from the facility and their safe disposal. If these sources were shipped back to the vendor, the NRC's concerns would be satisfied.

If we cannot resolve the matter through your cooperation, the NRC will have to seek an injunction in Federal Court and escalated enforcement action will result.

We expect to hear from you by 4:00 p.m., June 28, 1982.

Sincerely,

for James G. Keppler
Regional Administrator

cc: D. Sreniawski, RIII
R. Mason
c/o 321 N. Colorado St.
Hobart, IN 46343

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

JUL 22 1982

License No. 13-11822-01
EA 82-94

Midstate Testing Laboratory, Inc.
ATTN: Mr. Richard J. Mason
President
7943 New Jersey Avenue
Hammond, IN 46323

Dear Mr. Mason:

Since June 4, 1982, representatives of the NRC's Region III office have attempted unsuccessfully to contact you regarding activities under License No. 13-11822-01 at your premises in Hammond, Indiana and your apparent abandonment of the premises and radioactive material stored there. In view of the circumstances, I am issuing the enclosed Order to show cause why your license should not be revoked. The Order also suspends your license effective immediately and requires you to transfer within 5 days all licensed material to a person authorized to receive it. If you do not comply with this Order, the Commission will take measures to ensure transfer of the material and to otherwise enforce the terms of this Order. If you have any questions concerning this Order and the necessary steps to comply with it, please call Carl J. Paperiello or William H. Schultz of the NRC Region III office at (312) 932-2500.

The written responses directed by the Order are not subject to the clearance procedures of the Office of Management and Budget under the Paperwork Reduction Act of 1980, PL 96-511.

Sincerely,

Richard C. DeYoung, Director
Office of Inspection and Enforcement

Enclosure:
Order to Show Cause and
Order Suspending License
Effective Immediately

cc: Indiana State Board of Health
ATTN: Virgil J. Konopinski, Director
Division of Industrial Hygiene
and Radiological Health
1330 West Michigan Street
Indianapolis, IN 46206

8208090318
PDR

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

U. S. NUCLEAR REGULATORY COMMISSION

In the Matter of

Midstate Testing Laboratory, Inc. 7943 New Jersey Avenue Hammond, Indiana 46323	)	Byproduct Material License No. 13-11822-01 EA 82-94

ORDER TO SHOW CAUSE AND ORDER

SUSPENDING LICENSE EFFECTIVE IMMEDIATELY

I

Midstate Testing Laboratory, Inc. (the "licensee") holds Byproduct Material License No. 13-11822-01 (the "license") issued by the Nuclear Regulatory Commission. The license authorizes the licensee to use and possess byproduct material in the performance of radiographic operations under conditions specified in the license and the Commission's regulations. The license expires on February 29, 1984.

II

On June 2, 1982 the Senior Inspector of Midstate Testing Laboratory, Inc., contacted the NRC Region III office and stated that Midstate Testing Laboratory, Inc., was going bankrupt and was "locked out" of their facility on June 2, 1982.

On June 2, 1982 the NRC Region III office contacted the landlord, Kennedy Industrial Parks, and verified that Midstate Testing Laboratory, Inc. had been locked out of its facility located at 7943 New Jersey Avenue in Hammond, Indiana.

The NRC Region III office made numerous attempts to contact the president of Midstate Testing Laboratory, Inc. by telephone during the period June 4 through June 17, 1982, but was not able to establish contact.

On June 18, 1982 the NRC Region III office inspected the Midstate Testing Laboratory, Inc. facility with the landlord's permission. It was noted the licensee's inventory consisted of five radiographic exposure devices, three sealed radiography sources, and one soil moisture probe containing radioactive material.

On June 22, 1982 the NRC Region III office sent a letter to the president of Midstate Testing Laboratory, Inc., at the Hammond, Indiana address. The letter stated that if the licensee did not contact NRC by 4:00 p.m. on June 28, 1982, and make arrangements to transfer the radioactive material the NRC would take measures to ensure that the radioactive material would be placed in a safe storage location pending final disposal.

The licensee, Midstate Testing Laboratory, Inc., has not contacted the NRC or made arrangements to transfer the radioactive material. Therefore, the president of Midstate Testing Laboratory, Inc., has apparently abandoned the radioactive material.

The abandonment of radioactive material by a licensee is a condition that would warrant the Commission to refuse to grant a license on an original application. Under 10 CFR 30.34(f), licensees are required to notify the Commission in writing

when the licensee decides to permanently discontinue all activities involving materials authorized under a license. In the circumstances at hand, the licensee has apparently abandoned his place of business and the licensed material at the business premises, and the licensee has made no apparent arrangements to transfer the material or to ensure its continued safekeeping. Moreover, Commission representatives have been unable to determine the licensee's intended actions with respect to its license and the radioactive material. In these circumstances, there is no assurance that the licensee will conduct its activities in accordance with the Commission's requirements. Therefore, I have determined that the licensee should show cause why License No. 13-11822-01 should not be revoked. In view of the foregoing circumstances surrounding the licensee's apparent abandonment of the material and its business premises, I have also determined that the public health, safety, and interest require an immediate suspension of License No. 13-11822-01 and transfer of the material to an authorized recipient within 5 days of issuance of this Order.

III

Accordingly, pursuant to Sections 81, 161(b), and 186 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR Parts 2, 30 and 34, IT IS HEREBY ORDERED THAT:

A. Effective immediately, License No. 13-11822-01 is suspended pending further order, and the licensee shall cease and desist from any use of byproduct material in its possession and from any further acquisition or receipt of byproduct material;

B. Within 5 days of the issuance of this Order the licensee shall transfer or permit the transfer of all radioactive material within its possession to a person authorized to possess such material; and

C. The licensee shall show cause, as provided in Section IV below, why License No. 13-11822-01 should not be revoked.

IV

Within 25 days of the date of this Order, the licensee may show cause why the license should not be revoked, as required in Section III.C. above, by filing a written answer under oath or affirmation that sets forth the matters of fact and law on which the licensee relies. The licensee may answer, as provided in 10 CFR 2.202(d), by consenting to the entry of an Order in substantially the form proposed in this Order to Show Cause. Upon failure of the licensee to file an answer within the specified time, the Director of the Office of Inspection and Enforcement may issue without further notice an Order revoking License No. 13-11822-01.

V

The licensee may request a hearing on this Order within 25 days after the issuance of this Order. Any answer to the Order or request for a hearing shall be submitted to the Director, Office of Inspection and Enforcement, U. S. Nuclear Regulatory Commission, Washington, DC 20555. A copy shall also be sent to the

Executive Legal Director at the same address. A REQUEST FOR A HEARING SHALL NOT STAY THE IMMEDIATE EFFECTIVENESS OF SECTIONS III.A and III.B OF THIS ORDER.

If the licensee requests a hearing on this Order, the Commission will issue an Order designating the time and place of any hearing. If a hearing is held, the issue to be considered at such hearing shall be whether, on the basis of the matters set forth in Section II of this Order, License No. 13-11822-01 should be revoked.

FOR THE NUCLEAR REGULATORY COMMISSION

Richard C. DeYoung, Director
Office of Inspection and Enforcement

Dated at Bethesda, Maryland
this 22 day of July 1982

ATTACHMENT 3

GUIDELINES FOR DECONTAMINATION OF FACILITIES AND EQUIPMENT PRIOR TO RELEASE FOR UNRESTRICTED USE OR TERMINATION OF LICENSES FOR BYPRODUCT, SOURCE, OR SPECIAL NUCLEAR MATERIAL

U. S. Nuclear Regulatory Commission
Division of Fuel Cycle and Material Safety
Washington D.C. 20555

July 1982

The instructions in this guide, in conjunction with Table 1, specify the radionuclides and radiation exposure rate limits which should be used in decontamination and survey of surfaces or premises and equipment prior to abandonment or release for unrestricted use. The limits in Table 1 do not apply to premises, equipment, or scrap containing induced radioactivity for which the radiological considerations pertinent to their use may be different. The release of such facilities or items from regulatory control is considered on a case-by-case basis.

1. The licensee shall make a reasonable effort to eliminate residual contamination.

2. Radioactivity on equipment or surfaces shall not be covered by paint, plating, or other covering material unless contamination levels, as determined by a survey and documented, are below the limits specified in Table 1 prior to the application of the covering. A reasonable effort must be made to minimize the contamination prior to use of any covering.

3. The radioactivity on the interior surfaces of pipes, drain lines, or ductwork shall be determined by making measurements at all traps, and other appropriate access points, provided that contamination at these locations is likely to be representative of contamination on the interior of the pipes, drain lines, or ductwork. Surfaces of premises, equipment, or scrap which are likely to be contaminated but are of such size, construction, or location as to make the surface inaccessible for purposes of measurement shall be presumed to be contaminated in excess of the limits.

4. Upon request, the Commission may authorize a licensee to relinquish possession or control of premises, equipment, or scrap having surfaces contaminated with materials in excess of the limits specified. This may include, but not be limited to, special circumstances such as razing of buildings, transfer of premises to another organization continuing work with radioactive materials, or conversion of facilities to a long-term storage standby status. Such requests must:

   a. Provide detailed, specific information describing the premises, equipment or scrap, radioactive contaminants, and the nature, extent, and degree residual surface contamination.

   b. Provide a detailed health and safety analysis which reflects that the residual amounts of materials on surface areas, together with other considerations such as prospective use of the premises, equipment or scrap, are unlikely to result in an unreasonable risk to the health and safety of the public.

5. Prior to release of premises for unrestricted use, the licensee shall make a comprehensive radiation survey which establishes that contamination is within the limits specified in Table 1. A copy of the survey report shall be filed with the Division of Fuel Cycle and Material Safety, USNRC, Washington, D.C. 20555, and also the Administrator of the NRC Regional Office having jurisdiction. The report should be filed at least 30 days prior to the planned date of abandonment. The survey report shall:

   a. Identify the premises.

   b. Show that reasonable effort has been made to eliminate residual contamination.

   c. Describe the scope of the survey and general procedures followed.

   d. State the findings of the survey in units specified in the instruction.

   Following review of the report, the NRC will consider visiting the facilities to confirm the survey.

TABLE 1

ACCEPTABLE SURFACE CONTAMINATION LEVELS

NUCLIDES[a]	AVERAGE[b c f]	MAXIMUM[b d f]	REMOVABLE[b e f]
U-nat, U-235, U-238, and associated decay products	5,000 dpm α/100 cm^2	15,000 dpm α/100 cm^2	1,000 dpm α/100 cm^2
Transuranics, Ra-226, Ra-228, Th-230, Th-228, Pa-231, Ac-227, I-125, I-129	100 dpm/100 cm^2	300 dpm/100 cm^2	20 dpm/100 cm^2
Th-nat, Th-232, Sr-90, Ra-223, Ra-224, U-232, I-126, I-131, I-133	1000 dpm/100 cm^2	3000 dpm/100 cm^2	200 dpm/100 cm^2
Beta-gamma emitters (nuclides with decay modes other than alpha emission or spontaneous fission) except Sr-90 and others noted above.	5000 dpm $\beta\gamma$/100 cm^2	15,000 dpm $\beta\gamma$/100 cm^2	1000 dpm $\beta\gamma$/100 cm^2

[a] Where surface contamination by both alpha- and beta-gamma-emitting nuclides exists, the limits established for alpha- and beta-gamma-emitting nuclides should apply independently.

[b] As used in this table, dpm (disintegrations per minute) means the rate of emission by radioactive material as determined by correcting the counts per minute observed by an appropriate detector for background, efficiency, and geometric factors associated with the instrumentation.

[c] Measurements of average contaminant should not be averaged over more than 1 square meter. For objects of less surface area, the average should be derived for each such object.

[d] The maximum contamination level applies to an area of not more than 100 cm^2.

[e] The amount of removable radioactive material per 100 cm^2 of surface area should be determined by wiping that area with dry filter or soft absorbent paper, applying moderate pressure, and assessing the amount of radioactive material on the wipe with an appropriate instrument of known efficiency. When removable contamination on objects of less surface area is determined, the pertinent levels should be reduced proportionally and the entire surface should be wiped.

[f] The average and maximum radiation levels associated with surface contamination resulting from beta-gamma emitters should not exceed 0.2 mrad/hr at 1 cm and 1.0 mrad/hr at 1 cm, respectively, measured through not more than 7 milligrams per square centimeter of total absorber.