18:00W 34-653-2, -3 40-643 40-1389 70-133

> Clevite Corporation Cleveland, Ohio

Attention: Mr. J. S. Dawson Safety Director

Gantlemen:

This refers to the inspection conducted on February 8, 1961, of your activities authorized under AEC Byproduct Material License Nos. 34-653-2 and -3, Source Material License Nos. C-3692 and C-3790, and Special Muclear Material License No. SMK-183.

There were no items of noncompliance noted for License Nos. 34-853-3 and C-3692. With respect to the remaining licenses it appears that certain of your activities were not conducted in full compliance with the requirements of conditions of a license, and the AEC's "Standards for Protection Against Redistion," Port 20, and "Licensing of Source Material," Part 40, Title 10, Gode of Federal Regulations, in that:

LICENSE NO. 34-653-2

- In violation of License Condition No. 13, "The licensee shall possess and use ...," radiographic exposures were being made for periods in excess of 2 hours per exposure when your letter of application dated July 22, 1957, specified that "Radiographic exposures are limited to a maximum of two hours in length and a maximum of three exposures a week."
- 2. A survey instrument having a range of a few milliroentgens per hour to at least one roentgen per hour was not maintained in the Crystal Growth Section as required by License Condition No. 16, "Calibrated and operable survey instrumentation."

REGISTERED MAIL RETURN RECEIFT REQUESTED

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 Containers for portable exposure devices were not labeled in the manner required by Section 20.203(f)(l), "Cancion signs, labels and signals."

LICENSE NO. C-3790

- 4. Source material was received and transferred without a valid license in violation of Section 40.10, "Restriction on transfers," 10 CFR 40, prior to its amendment on February 13, 1961, in that:
 - a. On July 25, 1957, a shipment of 3.62 kilograms of normal Branium metal was received from General Atomics prior to the issuance of License No. C-3790 on August 8, 1957.
 - b. Shipments of depleted Oracium in the form of U₂O₂ were made to Owens-Corning after July 31, 1960, the expiration date of License No. C-3790.

LICENSE NOS. SEM-183 AND C-3790

- 5. The entrance to the "ARC Process Area" where licensed source and special nuclear materials were stored was posted with a sign which did not conform with the wording requirements of Section 20.133(e)(1) and (2), "Caution signs, labels and signals."
- 6. Containers in which licensed source and special nuclear materials were stored in the ASC Process Area vault, were not labeled as required by Section 20.203(f)(1) and (f)(2) and (f)(4), "Cention signs, labels and signels."

We note that the deficiency in Item No. 1 was resolved with the issuance of Amendment No. 2 to License No. 34-653-2 on August 15, 1961.

With respect to Items 2 through 6, pursuant to the provisions of Section 2.201(s), "Notice of violation," of the AEC's "Rules of Prectice," Part 2, Title 10, Code of Federal Regulations, you are requested to notify this office, within thirty days of your receipt of this notice, of the steps taken or to be instituted to achieve correction of the alleged violations and the date when such correction has been or will be achieved.

We note that your Source Material License No. C-3790 expired on July 31, 1960, and that you have not made application for remewal of that license. We would like to point out that the 10 GFR 40 under which you were licensed was revised and that a new 10 GFR 40, copy attached, because affective on February 13, 1961.

Although 10 CFR 40, Section 40.22(a)(6), "Small quantities of source material," provides a general license for certain quantities of source material used for research and coemercial purposes, it appears that the amount of source material you normally have in inventory may exceed those specified quantities. This section establishes a general license suthorizing certain persons, including commercial research firms, to receive, use and transfer up to 15 pounds of source materia at any one time provided that no person receives more than a total of 150 pounds of source material in any ox, calendar year.

If your operations should require quantities of source material in excess of those quoted above, you are required to make application for a specific license to sutherize the possession and use of such materials.

Very truly yours.

Eber R. Price Assistant Director Division of Licensing and Regulation

Enclosures:

1. 10 CFR 20

2. 10 CFR 40

3. 10 CFR 40 Amended

4. 10 CFR 2

18:60% 34-633-2, -3 40-665 40-1389 70-133

> Clevite Corporation Cleveland, hio

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DATE

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MORNIA A RECHIEF LICE INC.

D. C. Brighton, of Spirit, and Spirit, Spirit,

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ery truly yours,

bec: Compliance Division, HQ Compliance Division, COO Public Document

Ther A. Price
Assistant Airector
Mivision of Micensing
and Regulation

"melosures:

- 1. 10 CVR 20
- 2. 10 0% 40
- 3. 10 CFx 40 Amended

4. 10 TH 2

SIGNED CONCURRENCE COPY IN BYPRODUCT FILE

SURNAME - STATE SALES DANUE DANUE DATE - 9-7-61

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