

UNITED STATES
NUCLEAR REGULATORY COMMISSION

In the matter of)
SMH (US) Services, Incorporated)
Lancaster, Pennsylvania 17604)
)

Docket No.: 030-12704
License No.: 37-03572-06

DEMAND FOR INFORMATION

I

SMH (US) Services, Incorporated (The Licensee) holds NRC License No. 37-03572-06 (the License), issued by the Nuclear Regulatory Commission (the NRC or Commission) pursuant to 10 CFR 30. The license authorizes the licensee to use and possess byproduct material in accordance with the terms and conditions specified therein and the applicable NRC regulations.

II

As of July 27, 1990, the Licensee was required to comply with 10 CFR 30.35 of the Commission's regulations, which requires licensees authorized to possess certain quantities of licensed material to submit either a decommissioning funding plan or a certification of financial assurance for decommissioning in the amount prescribed in 10 CFR 30.35, in accordance with the criteria set forth in that section. The License authorizes such quantities and the NRC staff has not yet received the Licensee's response to this requirement. Therefore, the Licensee appears to be in violation of this requirement.

The violation of the requirements of 10 CFR 30.35 is a significant regulatory concern to the NRC staff. Therefore, further information is needed to determine whether the Commission can have reasonable assurance that the Licensee will satisfy the requirements of 10 CFR 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 CFR 30.32(b), in order for the Commission to determine whether the 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, 475 Allendale Road, King of Prussia, Pennsylvania 19406, within 30 days of the date of this Demand for Information, the following information, in writing and under oath or affirmation:

1. If the Licensee believes that 10 CFR 30.35 does not apply to it, the basis for that conclusion (if the Licensee determines that it is not subject to 10 CFR 30.35, the Licensee need not satisfy the remaining requirements in this Demand for Information unless notified by the Region I staff);

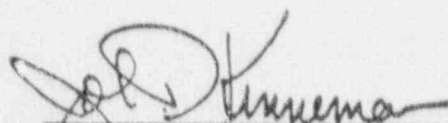
2. If the Licensee has already submitted a surety instrument to the NRC, the date the Licensee submitted the surety and the address the Licensee sent it to (if the Licensee has already submitted a surety instrument to the NRC, the Licensee need not satisfy the remaining requirements in this Demand for Information unless notified by the Region I staff);
3. Whether the Licensee has obtained a commitment from a financial institution to provide the required financial instrument;
4. If the Licensee has obtained a commitment from a financial institution to provide the required financial instrument, when the Licensee expects to provide the instrument to the NRC and, if the Licensee 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 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 the Licensee has contacted in order to obtain the required instrument and the dates of principal contacts; and
 - 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) the Licensee's most recent audited balance sheet showing all assets and liabilities, iii) the Licensee's most recent audited profit and loss statement, iv) the Licensee's federal tax returns for the last three years, and v) an explanation of why the applications were denied;
6. If the Licensee does not provide the required financial instrument within 30 days of the date of this Demand for Information, the Licensee must:
 - a) describe all disposals of radioactive material that have been made on site under 10 CFR 20.302 or 20.304, including records of the disposals indicating their location, number, isotope description, quantities, and dates of disposal;
 - b) describe 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) describe the nature of any radioactive material in storage either as inventory, in production, or waste;

- d) describe 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) describe current plans to remove stored waste or decontaminate buildings, equipment, soil, or groundwater, including a schedule, identification of the repository proposed to receive the waste or contaminated materials, and the source of funds for implementing the plans; and
7. 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 or sites by the expiration date of its current license.

A copy of the Licensee's response to this Demand for Information shall be clearly marked "copy" and shall 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



NUCLEAR MATERIALS SAFETY BRANCH
REGION I
KING OF PRUSSIA, PENNSYLVANIA 19406

Dated at King of Prussia, Pennsylvania
this 4th day of January, 1990