



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PENNSYLVANIA 19406-1415

JUL 09 1996

Thomas G. Frasso
Logistics Director
SMH (US), Inc.
1817 William Penn Way
Lancaster, PA 17604

SUBJECT: ROUTINE INSPECTION NO. 030-12704/96-001 and 030-20570/96-001

Dear Mr. Frasso:

This letter refers to your May 17, 1996 correspondence, in response to our May 13, 1996 letter.

Thank you for informing us of the corrective and preventive actions documented in your letter. These actions will be examined during a future inspection of your licensed program.

Your cooperation with us is appreciated.

Sincerely,

Francis M. Costello, Chief
Nuclear Materials Safety Branch 3
Division of Nuclear Materials Safety

Docket Nos. 030-12704
030-20590
License Nos. 37-03572-06
37-03572-08E

cc:
Commonwealth of Pennsylvania

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MAY 13 1996

Docket Nos. 030-12704
030-20570

License Nos. 37-03572-06
37-03572-08E

Thomas G. Frasso
Logistics Director
SMH (US), Inc.
1817 William Penn Way
Lancaster, Pennsylvania 17604

SUBJECT: ROUTINE INSPECTION NOS. 030-12704/96-001 and 030-20570/96-001

Dear Mr. Frasso:

On April 10, 1996, Eric H. Reber of this office conducted a routine safety inspection at the above address of activities authorized by the above listed NRC licenses. The inspection was an examination of your licensed activities as they relate to radiation safety and to compliance with the Commission's regulations and the license conditions. The inspection consisted of observations by the inspector, interviews with personnel, and a selective examination of representative records. The findings of the inspection were discussed with you and Kenneth Nolt, at the conclusion of the inspection.

Based on the results of this inspection, it appears that your activities were not conducted in full compliance with NRC requirements. A Notice of Violation is enclosed and categorizes each violation by severity level in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," (Enforcement Policy), NUREG 1600. You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

Please use the enclosed self-addressed green envelope when you respond to this letter to assist us in the timely processing of your response. In accordance with Section 2.790 of NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and your reply will be placed in the Public Document Room (PDR). To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction. However, if you find it necessary to include such information, you should clearly indicate the specific information that you desire not to be placed in the PDR, and provide the legal basis to support your request for withholding the information from the public. The responses directed by this letter and the accompanying Notice

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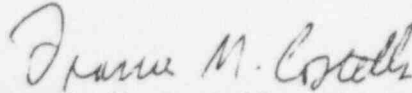
T. Frasso
SMH (US), Inc.

-2-

are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

Your cooperation with us is appreciated.

Sincerely,



Francis M. Costello, Chief
Nuclear Materials Safety Branch 3
Division of Nuclear Materials Safety

Docket Nos.: 030-12704
030-20570
License Nos.: 37-03572-06
37-03572-08E

Enclosure:
Notice of Violation

cc w/enclosure:
Commonwealth of Pennsylvania

NOTICE OF VIOLATION

SMH (US), Incorporated
Lancaster, Pennsylvania 17604

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

During an NRC inspection conducted on April 10, 1996 a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," NUREG 1600, the violation is listed below:

Condition 15 of License No. 37-03572-06 requires that licensed material be possessed and used in accordance with statements, representations and procedures contained in a letter dated July 26, 1994.

Item 2 of the letter dated July 26, 1994, requires that radiation workers will be retrained on an annual basis.

Contrary to the above, retraining was not conducted from August 1994 to April 10, 1996, a period of more than 12 months.

This is a Severity Level IV violation (Supplement VI).

Pursuant to the provisions of 10 CFR 2.201, SMH (US), Incorporated 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 for each violation: (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, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to 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.

Because your response will be placed in the NRC Public Document Room (PDR), to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction. However, if you find it necessary to include such information, you should clearly indicate the specific information that you desire not to be placed in the PDR, and provide the legal basis to support your request for withholding the information from the public.

9605210045

May 17, 1996

U. S. Nuclear Regulatory Commission
Washington, D.C. 20555 - 0001

Attn: Document Control Desk

Subject: Reply to a Notice of Violation dated May 13, 1996
Routine Inspection Nos. 030-12704/96-001 and 030-20570/96-001

This letter is in reply to a Notice of Violation to Item 2 of the letter dated July 26, 1994 which requires that radiation workers will be retrained on an annual basis.

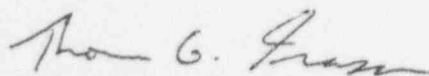
- 1) Retraining had not been conducted from August 1994 to April 10, 1996 due an oversight and time constraint of SMH (US) management.
- 2) Corrective steps have been taken to correct this situation. A meeting was held with all supervisors and/or managers in any way related to the handling or storage of watch dials or hands with tritium. This meeting was held on May 1, 1996 and included a review of the Radiological Safety Procedure manual dated July 26, 1994.

Each supervisor and/or manager in turn held individual retraining meetings with all production workers involved with handling or storing watch dials and hands. The meetings were completed by May 10, 1996 including documentation with a signature list of all required to attend.

3) It will be the responsibility of the Logistics Director, Thomas G. Frasso and the Radiation Safety Officer, Kenneth Nolt to ensure the retraining programs are held on an annual basis.

4) Full compliance had been achieved on May 10, 1996.

If you should have any question concerning this reply please feel free to contact me at 717-399-3765.



Thomas G. Frasso
Logistics Director

Copy to: Regional Administrator, Region I (Eric H. Reber)
475 Allendale Road
King of Prussia, PA 19406 - 1415

MAY 29 1996

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