



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

MAR 16 1989

Docket Nos. 030-05980, 030-05982, 030-05981
030-08335, and 030-08444
License Nos. 37-00030-02, 37-00030-07E, 37-00030-08,
37-00030-09G, and 37-00030-10G
EA 89-29

United States Radium Corporation
USR Industries, Inc.
USR Lighting, Inc.
USR Chemical, Inc.
USR Metals, Inc.
USR Natural Resources, Inc.
Lime Ridge Industries, Inc.
Metreal, Inc.
Pinnacle Petroleum, Inc.
ATTN: Ralph T. McElvenny, Chairman
550 Post Oak Blvd, Suite 550
Houston, Texas 77027

Gentlemen:

Subject: ORDER MODIFYING LICENSES (EFFECTIVE IMMEDIATELY) AND
DEMAND FOR INFORMATION

Enclosed is an Order Modifying Licenses (Effective Immediately) requiring certain activities, including the preparation and implementation of a plan for both site characterization and decontamination of the Bloomsburg facility. In addition, enclosed is a Demand for Information requiring corporate officials from the successor corporations of U.S. Radium Corp. to submit certain information. We recognize that this information may have proprietary value. Therefore, should any corporation submitting information pursuant to this Order desire that such information not be made public, it should follow the procedures set forth in 10 CFR 2.790. In accordance with that regulation, a copy of this letter and the enclosed Order will be placed in the NRC's Public Document Room.

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

Sincerely,



Hugh L. Thompson, Jr.
Deputy Executive Director for
Nuclear Materials Safety, Safeguards
and Operations Support



See next page for encls.
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

United States Radium Corp, et al

Enclosures:

1. Order Modifying License
and Demand for Information
2. Environmental Evaluation of the
Safety Light Corporation Site,
Bloomsburg, PA

cc: Geoffrey L. Beauchamp, Esq.

MAR 16 1989

United States Kadium Corporation, et al

DISTRIBUTION:

PDR

SECY

CA

H. Thompson, DEDS

J. Taylor, DEDR

W. Russell, RI

J. Lieberman, OE

G. Cant, OE

R. Bernero, NMSS

R. Cunningham, NMSS

Enforcement Coordinators

RI, RII, RIII, RIV, RV

F. Ingram, PA

B. Hayes, OI

F. Herr, OIA

E. Jordan, AEOD

V. Miller, SPA/SP

DCS

EA file

Commonwealth of Pennsylvania

HJW
D:OE

JLieberman

3/15/89

DEDS

HJW
HThompson

3/15/89

5229-89-65

SEM 0:0. 3/15/89

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of:

Safety Light Corporation
United States Radium Corporation
USR Industries, Inc.
USR Lighting, Inc.
USR Chemical, Inc.
USR Metals, Inc.
USR Natural Resources, Inc.
Lime Ridge Industries, Inc.
Metreal, Inc.;
Pinnacle Petroleum, Inc.
and all other successor
corporations to either USR
Industries or U.S. Radium Corp.
(herein referred to as the
Corporations)

Docket Nos. 030-05980
030-05982
030-05981
030-08335
030-08444

License Nos. 37-00030-02
37-00030-08
37-00030-07E
37-00030-09G
37-00030-10G

EA 89-29

ORDER MODIFYING LICENSES (EFFECTIVE IMMEDIATELY)
AND DEMAND FOR INFORMATION

1

Safety Light Corporation (Safety Light) is the named licensee on Byproduct Material License Nos. 37-00030-02, 37-00030-08, 37-00030-07E, 37-00030-09G, and 37-00030-10G, issued by the Nuclear Regulatory Commission (NRC).

License No. 37-00030-02 authorizes the possession, storage, and use of any byproduct material for purposes of decontamination, cleanup, and disposal of equipment and facilities previously used for manufacturing, research and development in operations performed at the facility located at 4150-A Old Berwick Rd., Bloomsburg, PA (the Bloomsburg facility). License No. 37-00030-02 was originally issued on June 20, 1956 and was last renewed on January 25, 1979. This license has been under timely renewal since February 29, 1984.

License No. 37-00030-08 authorizes the licensee to conduct research and development and to manufacture various devices containing tritium. License No. 37-00030-08 was originally issued on August 5, 1969, and was last renewed on

January 6, 1983. This license has been under timely renewal since December 31, 1987. The above licenses permit use of material only at facilities at 4150-A Old Berwick Road, Bloomsburg, Pennsylvania (the Bloomsburg facility).

License No. 37-00030-07E authorizes the distribution of timepieces, hands and dials to which luminous paint containing tritium is applied, to persons exempt from NRC licensing pursuant to 10 CFR 30.15. License No. 37-00030-07E was originally issued on April 16, 1965 and was last renewed on May 27, 1986. This license expires on April 30, 1991.

License No. 37-00030-09G authorizes the distribution of luminous devices containing tritium to persons generally licensed pursuant to 10 CFR 31.5. License No. 37-00030-09G was originally issued on January 13, 1966 and was last renewed on October 24, 1983. This license has been under timely renewal since October 31, 1988.

License No. 37-00030-10G authorizes the distribution of sealed self-luminous sources to persons generally licensed pursuant to 10 CFR 31.7. License No. 37-00030-10G was originally issued on December 13, 1971 and was last renewed on April 22, 1985. This license expires on April 30, 1990.

II

On January 21, 1981, the NRC received notification that the NRC licensee known as United States Radium Corporation (U.S. Radium), the prior licensee on all of the above licenses, had changed its name to Safety Light Corporation.

There was no indication at that time that the change involved any ownership or organizational changes. Consequently, routine administrative license amendments changing the corporate name from U.S. Radium Corporation to Safety Light Corporation were issued on March 31, 1982 to modify License No. 37-00030-08; and on January 20, 1983 to modify License Nos. 37-00030-02, 37-00030-07E, 37-00030-09G, and 37-00030-10G.

III

As early as 1983, the NRC sought clarification from Safety Light concerning corporate transactions that potentially could affect cleanup responsibility. Specifically, the letter that transmitted NRC Inspection Report 83-01, dated September 22, 1983, sought clarification, based upon inspections at the Bloomsburg facility, of the effects of an apparent corporate transfer of licensed activity. Safety Light's November 11, 1983 response to the request in the September 22, 1983 letter appears both incomplete and misleading in that it is silent on the details of the May 16, 1980 Agreement and Plan of Merger between U.S. Radium Corporation and USR Industries, Inc. and a July 11, 1980 U.S. Radium letter to its stockholders ("the 1980 Plan"). In its response, Safety Light refers back to the administrative name change processed in response to its January 21, 1981 submittal and affirmatively states that there were no organizational changes made due to the name change.

Since that time, the NRC has obtained and reviewed the 1980 plan. Based upon a review of the 1980 Plan, it now appears U.S. Radium merged with USR Industries, Inc. (Industries). It specifically appears that the former NRC

licensee known as U.S. Radium Corporation, through its officers and directors, had also created the new corporation, known as USR Industries, Inc. After merging with Industries, the former U.S. Radium became a wholly-owned subsidiary of Industries, and then changed the name of the segregated NRC activities to Safety Light Corporation. Industries also transferred all its non-licensed assets and business to five other newly created corporations (USR Lighting, Inc.; USR Chemicals, Inc.; USR Metals, Inc.; Metreal, Inc.; and USR Natural Resources, Inc.), then wholly owned subsidiaries of USR Industries. Pinnacle Petroleum, Inc. is apparently another subsidiary of Industries. Thereafter, Safety Light Corporation, which had the activities authorized by NRC, was sold to Lime Ridge Industries, Incorporated, a corporation created by former employees of Industries and U.S. Radium.

IV

Neither prior notice to the NRC was given, nor NRC approval obtained, regarding the 1980 restructuring and subsequent sale or the full circumstances of the transfer of the NRC license, in violation of Section 184 of the Atomic Energy Act and 10 CFR 30.34(b), which prohibit the transfer of a license, either directly or indirectly, unless the NRC, after securing full information, gives its consent in writing. It further appears from the 1980 Plan that these corporate transactions were a deliberate attempt to isolate the liability and responsibility for cleanup of the Bloomsburg facility (discussed below) from other, presumably more profitable, aspects of U.S. Radium's, and later Industries', business ventures.

Neither U.S. Radium, USR Industries, nor any of their successor corporations or subsidiaries can avoid responsibility and liability for the cleanup of the Bloomsburg facility through the unlawful transfer of an NRC license, i.e., a transfer without the consent of the NRC, after full disclosure. Therefore, each of the corporations referred to in the caption of this Order ("Corporations") is, and remains, jointly and severally liable and responsible for the cleanup of the Bloomsburg facility and for the conduct of all other activities on that site that require an NRC license.

On April 20, 1988, following renewed concerns with cleanup issues at the site, the NRC again sought clarification of the relationships among the various corporations with apparent interests in the Bloomsburg facility and the role that each would play in the cleanup of that site. In stark contrast to the January 21, 1981 and November 11, 1983 submittals, Industries' June 24, 1988 response concedes that the name change was made concurrently with a corporate reorganization, although even the June 24, 1988 response fails to state that one purpose of the reorganization apparently was to limit liability, as stated in the July 11, 1980 U.S. Radium letter to its stockholders. Consequently, Safety Light's January 21, 1981, November 11, 1981, and June 24, 1988 submissions to the NRC were incomplete and inaccurate in material respects.

V

In addition to the foregoing, the soil and groundwater at the Bloomsburg facility have become radioactively contaminated as a result of past operations at the

facility. The principal radionuclides are tritium, strontium-90 and radium-226. The levels exceed NRC limits that would permit unrestricted access to the site. Tritium has also been detected in groundwater off-site in the well of a nearby house. Although the tritium in that well is not yet above drinking water limits set by the U.S. Environmental Protection Agency, further off-site contamination is likely to occur over time due to the movement of groundwater and soil erosion. Pits on the site contain unknown types and quantities of radioactive material that pose a potential threat to the health and safety of employees and any others on the site. Access to the site by the public is not restricted and members of the public have been and may be present. Therefore, access needs to be restricted and decontamination of the facility and real estate is required and must commence immediately.

VI

Prior to the numerous transactions set forth above, on January 25, 1979, the NRC amended License No. 37-00030-02 to include License Condition 14 to require a nine-month plan for implementing specified decontamination activities submitted earlier in a U.S. Radium letter dated October 23, 1978. This letter also stated that a schedule would be developed for decontamination activities beyond the activities specified in the decontamination plan. Condition 13 of License No. 37-00030-02 required U.S. Radium to provide the NRC with a report on the status of decontamination efforts and a schedule of work for 12 month periods beginning July 1, 1979. The NRC's inspection of the Bloomsburg facilities on November 12, 1986 and the site contamination survey provided in a letter to the NRC dated February 6, 1987 indicate that the specified decontamination activities were not performed. Furthermore, while Safety Light has provided a report of

environmental monitoring each year since 1983, Safety Light has not provided the NRC with the required report on the status of decontamination efforts and schedule of work since License Condition 13 was added to the license.

As a result, by letter dated April 20, 1988, Safety Light, Industries, and all other apparent successor corporations to U.S. Radium were requested to provide a decommissioning plan for the site which would permit the release of the site for unrestricted use. This decommissioning plan was to provide for a final radiological survey that would include all areas where licensed material has been used, stored, or buried. The decontamination of the site was permitted to be gradual, extending over a period of ten years, but was to commence within twelve months.

No substantive responses were made to these requests for a plan. By now, the NRC would have expected to have observed action to satisfy the foregoing license conditions. On July 8, 1988, the NRC inspected the Bloomsburg facility and confirmed that there was no current effort underway to decontaminate the facility. This failure to commence the required decontamination constitutes a willful violation of an NRC requirement. As stated above, the NRC considers all corporate successors of U.S. Radium jointly and severally liable for site cleanup and all other activities requiring a license.

Under the terms of Conditions 13 and 14 of License No. 37-00030-02, as well as the NRC's April 20, 1988 letter, these corporations were put on clear notice that decontamination was necessary and required, and were given ample opportunity to submit proposed milestones and plans for decontamination. Rather

than formulate and implement a decommissioning plan in response to the 1979 license conditions, it now appears U. S. Radium reorganized in a deliberate attempt to limit liability and responsibility for cleanup. Despite repeated efforts by the NRC to get U. S. Radium and its successors, including but not limited to Safety Light, to take steps to initiate meaningful decontamination efforts at the Bloomsburg facility, these steps have not been taken. The presence of considerable known contamination, coupled with the uncertain extent of that and other, as yet unknown, contamination requires that action be taken immediately to survey, stabilize, and clean up the site.

In order to ensure that the Corporations provide adequate resources to evaluate, plan, and implement decontamination efforts with proper radiological safety procedures, I have determined that specific decontamination requirements and milestones are necessary and that decontamination needs to begin expeditiously so as to minimize any threat to public health and safety. As a result of the failure of U.S. Radium and its successors to comply with Section 184 of the Atomic Energy Act and 10 CFR 30.34(b), the successor corporations remain subject to the jurisdiction of the NRC. In view of the corporations' apparently willful failure to fully meet the terms of Section 184 of the Atomic Energy Act and 10 CFR 30.34(b), as well as other conditions in the license, though given opportunity to do so, and their incomplete and inaccurate statements to the NRC, and in view of the need to expeditiously begin decontamination to minimize any threat to public health and safety, I have determined that the NRC lacks reasonable assurance that site characterization and decontamination of the Bloomsburg facility will be initiated and completed in an orderly and timely fashion to ensure that the health and safety of the public, including current

employees and adjoining landowners, will be protected. This is particularly so in light of the apparent financial inability of any one successor corporation to U. S. Radium to clean up the Bloomsburg facility. Accordingly, the public health, safety and interest require that the actions specified by Section VII of this Order commence immediately. For these reasons and pursuant to 10 CFR 2.204, no prior notice is required, and this Order is immediately effective.

VII

In view of the foregoing, and pursuant to Sections 81, 161b, 161c, 161i, 161o, 182, 184 and 186 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR 2.204 and 10 CFR Parts 30 and 32, IT IS HEREBY ORDERED, EFFECTIVE IMMEDIATELY, THAT LICENSE NOS. 37-00030-02, -08, -07E, -C9G and -10G ARE MODIFIED AS FOLLOWS:

- A. Within 90 days from the date of this Order, Safety Light Corporation shall post the premises as required by 10 CFR Part 20 and shall control access to all contaminated areas at the Bloomsburg facility by a fence or other suitable means so as to create a restricted area, as defined in 10 CFR Part 20.
- B. Within 45 days from the date of this Order, all Corporations shall jointly submit, to the Regional Administrator, NRC, Region I, for his review and approval, a joint plan to characterize the radioactivity at the Bloomsburg site. The plan shall describe in detail how a complete radiological and geohydrological survey of all facilities and of the surrounding surface

and subsurface soil and groundwater will be conducted in order to fully determine the radionuclide concentrations and their lateral and depth profiles, as well as their movement in the groundwater and soil. The surveys shall be sufficient to develop a complete plan for decontamination/removal operations necessary to permit unrestricted access to the site. The plan shall include, but not be limited to, provisions to address the issues contained in the 1988 NRC Environmental Evaluation of the Safety Light Corporation Site, Bloomsburg, Pennsylvania. Particular attention shall be given to identifying areas of the site that should be given priority in the site decontamination activities. The joint plan shall provide a schedule, with milestones, for completion of the site characterization within 180 days. The plan shall specify the amount of funds that each of the Corporations is to provide for implementation of the plan. Any corporation that does not agree with the joint plan may submit an individual plan, with a statement explaining the reasons for disagreement with the joint plan. A corporate officer, not lower than the President, from each of the Corporations shall certify, under oath or affirmation, to the accuracy of the information contained in the site characterization plan and to the intent on behalf of the corporation to implement the plan.

- C. Within 180 days from the date the Regional Administrator approves the site characterization plan required by Section VII.B. of this Order, all Corporations shall jointly submit, to the Regional Administrator, NRC, Region I, for his review and approval, a single report that contains a complete radiological characterization of the site, with a description of the location and level of all sources of radiation and contamination, including non-

radiological hazards. A corporate officer, not lower than the President, for each of the Corporations shall certify, under oath or affirmation, to the accuracy of the information contained in the site characterization report.

- D. Within 30 days from the date the Regional Administrator approves the site characterization report required by Section VII.C. of this Order, all Corporations shall jointly submit to the Regional Administrator, NRC, Region I, for his review and approval, a single decontamination plan with a timetable for specific decontamination activities (milestones) and transfer of contaminated waste. The plan shall include the rationale for the priorities established and specify the amount of funds that each of the Corporations is to provide for implementation of the plan. Any Corporation that does not agree with the joint plan may submit an individual plan, with a statement explaining the reasons for disagreement with the joint plan. A corporate official, not lower than the President, from each of the Corporations shall certify, under oath or affirmation, to the accuracy of the decontamination plan, and to the intent on behalf of the Corporation to implement the plan.
- E. Following the Regional Administrator's approval of the decontamination plan required by Section VII.D. of this Order, a corporate officer, not lower than the President, from each of the Corporations shall submit, within 15 days of the end of each calendar quarter, a status report, under oath or affirmation, to the Regional Administrator of NRC, Region I, stating:

1. The progress that has been made toward carrying out the decontamination plan during the previous calendar quarter. In the event that a milestone set forth in the decontamination plan submitted in response to Section VII.D. is not met during the period covered by the report, the report shall indicate: (1) the date by which the milestone is expected to be accomplished; (2) the reason for the failure to meet the milestone; and (3) the impact that the failure to meet the milestone will have on the decontamination plan and schedule;
 2. The actions under the decontamination plan that are expected to be accomplished within the next calendar quarter; and,
 3. The financial resources available during the period covered by the report, including but not limited to revenue, costs and expenses, net losses or profits, and sums expended on decontamination of the Bloomsburg facility.
- F. No Corporation named herein shall either abandon or transfer the Bloomsburg facility, until the NRC has confirmed that a successful decontamination of the Bloomsburg facility has been completed.

VIII

The licensee, the Corporations, or any person adversely affected by this Order may request a hearing within 30 days of the date of its issuance. Any answer to this Order or request for a hearing shall be addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, ATTN: Document

Control Desk, Washington, DC 20555, with a copy to the Assistant General Counsel for Enforcement, Office of the General Counsel, at the same address, and to the Regional Administrator, NRC Region I, 475 Allendale Road, King of Prussia, Pennsylvania 19406. If a hearing is requested by the licensee or the Corporations, the Commission will issue an Order designating the time and place of hearing. If a hearing is held, the issue to be considered at the hearing shall be whether this Order should be sustained. If a person other than the licensee or the Corporations requests a hearing, that person shall set forth with particularity the manner in which the petitioner's interest is adversely affected by this Order and should address the criteria set forth in 10 CFR 2.714(d). An answer to this Order or request for hearing shall not stay the immediate effectiveness of this Order. Upon the failure of the licensee or other Corporations herein named to answer or request a hearing within the time specified, this Order shall be final without further proceedings.

IX

Further information is needed to determine whether the Commission can have reasonable assurance that future activities at the Bloomsburg facility can be conducted in accordance with the Commission's requirements and the terms of this Order.

Accordingly, to determine whether the licenses should be further modified, suspended or revoked, or other enforcement action taken to ensure compliance with NRC regulatory requirements, within 30 days from the date of this Order, a corporate official, not lower than the President, for each of the Corporations shall state in writing, under oath or affirmation, or where appropriate submit,

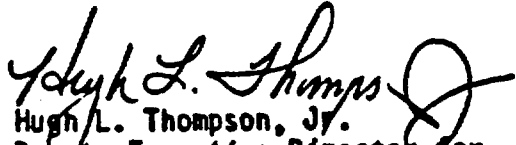
pursuant to Sections 161c and 182 of the Atomic Energy Act of 1954, as amended, and 10 CFR Parts 30 and 32, answers to the following DEMAND FOR INFORMATION:

- A. Describe the extent to which the decontamination of the Bloomsburg facility was considered, if at all, and by whom, in determining the nature of the reorganizations and transfers discussed in this Order.
- B. Copies of all contracts, agreements, deeds, or other instruments of conveyance, between any of the Corporations or individuals concerning responsibility for cleanup of the Bloomsburg site.
- C. For each Corporation, copies of all annual financial statements, including but not limited to, balance sheets showing all assets and liabilities and profit and loss statements, for the three years prior to this Order.
- D. For each Corporation, copies of all quarterly financial statements, including but not limited to, balance sheets showing all assets and liabilities and profit and loss statements, for the four quarters prior to this Order.
- E. For each Corporation, copies of all annual Federal tax returns for the three tax years prior to this Order.
- F. A listing of the names of all individuals or corporations owning at least 10% of the stock in any Corporation, indicating each owner's address, the number of shares owned, and the total number of shares outstanding.

X

The Regional Administrator of NRC Region I may, in writing, relax or rescind any provision of this Order or Demand for Information upon the showing, in writing, of good cause.

FOR THE NUCLEAR REGULATORY COMMISSION


Hugh L. Thompson, Jr.
Deputy Executive Director for
Nuclear Materials Safety, Safeguards,
and Operations Support

Dated at Rockville, Maryland
this 6th day of March 1989