



May 10, 2004

Mr. George Pangburn
Director
US NRC Region I
475 Allendale Road
King of Prussia, PA 19406-1415

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REGION 1

**SUBJECT: RESPONSE TO APPARENT VIOLATIONS IN INSPECTION
REPORT No. 99990001/2004003**

Dear Mr. Pangburn,

This letter is being submitted in response to your letter dated April 22, 2004 to David Watson. It is being provided in lieu of a predecisional enforcement conference as per a message left with Ms. Donna Janda, on April 29, 2004. Attached to this letter please find the following supportive documents:

- 1) Letter to Mr. Hubert Miller dated February 9, 2004.
- 2) General Policy for the Purchase, Monitoring, and Disposal of Devices Containing Regulated Materials dated March 2004.

(1) The reason for the apparent violation. Sections (ii) and (iii) of the attached February 9, 2004 letter addresses this issue.

(2) Corrective steps taken and the results achieved. Section (v) of the attached February 9, 2004 letter addresses this issue.

(3) Corrective steps taken to avoid future violations. Section (vi) of the attached February 9, 2004 letter addresses the issue during plant closures. The attached General Policy regarding Regulated Materials dated March 2004 will cover any new regulated materials that Pepperidge Farm may purchase.

(4) Date when full compliance will be achieved. Changes outlined in section (vi) of the attached February 9, 2004 letter were implemented on February 26, 2004. The General Policy regarding Regulated Materials was issued in March 2004.

Any other information you may require regarding this subject can be obtained by calling Mr. Tom Rieth, Mgr. Infrastructure and Environmental Engineering at (203) 846-7471.

David W. Watson
Vice President Corporate Engineering
Pepperidge Farm, Inc.

NMSS/RGNI MATERIALS-004

Cc: Robert Shober, Campbell Soup Company
Donna Janda, NRC
Thomas Rieth, Pepperidge Farm
Carlos Pena, Pepperidge Farm
Faith Greenfield Campbell Soup Company



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GENERAL POLICY FOR THE PURCHASE, MONITORING, AND DISPOSAL OF DEVICES CONTAINING REGULATED MATERIALS (DRAFT)

1. Procurement

- a) The purchaser must obtain the proper license prior to receipt of any restricted equipment
- b) All instrumentation shall be purchased and installed by trained and licensed manufacturers representative.
- c) All licenses must be renewed as needed
- d) All purchases must be authorized by the VP R&D/QA for Pepperidge Farm
- e) A equipment file will be maintained for all lab equipment, by the Lab Mgr and Corp Eng.

2. Use and Handling of Equipment

- a) All personnel using such restricted equipment must be fully trained in its proper use and handling.
- b) An individual must be appointed for it's day to day compliance to NRC guidelines.
- c) All labels affixed to the equipment at time of receipt bearing a "removal is prohibited" statement must be maintained, and all instructions and precautions must be fully adhered to.
- d) All restricted equipment must be tested for leakage and proper operation of the on/off mechanism and indicator at six-month intervals.
- e) All results of the equipment testing must be recorded and contain results of tests, date of tests, name of persons performing tests. All records must be maintained for at least seven years.
- f) Any failures of these tests must be reported to the NRC within 30 days. The equipment cannot be used until it has been properly repaired by manufacturer or licensed professional.
- g) If equipment is not in use for more one year than it must be decommissioned.

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| File name: | Date of Issue: | Supersedes Dates: | Approval: | | Page 1 of 2 |
| Lab_Equipment_Protocols.doc | Mar 2004 | New issue | Corp QA | | |



3. Decommissioning and Disposable of Restricted Equipment

- a) All equipment containing radioactive material, or other material deemed to be hazardous, must be disposed of in accordance to NRC guidelines by manufacturer or licensed professional.
- b) Notification of disposition must be made with in 30 days to the NRC including name, manufacturer, model and serial numbers of device, name, address and license number of person's device is transferred to and date of transfer
- c) A log of decommissioned equipment, will be kept by Corp Eng, and the Lab Mgr.

Equipment Name/ Asset Tag:

Supplier Name and Address:

Phone, Fax, and Email:

| | | | | | |
|-----------------------------|----------------|-------------------|-----------|--|-------------|
| File name: | Date of Issue: | Supersedes Dates: | Approval: | | Page 2 of 2 |
| Lab_Equipment_Protocols.doc | Mar 2004 | New issue | Corp QA | | |



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~~PRIVILEGED AND CONFIDENTIAL~~

JK

February 9, 2004

Mr. Hubert Miller
Region Administrator
US NRC Region I
475 Allendale Road
King of Prussia, PA 19406

Dear Mr. Miller,

This letter is being submitted in compliance with regulation **10 CFR 20.2201 Reports of theft or loss of licensed material section b.**

(i) A description of the licensed material involved, including kind, quantity, and chemical and physical form;

The licensed unit was a K-Ray model 7107 in-line chute moisture measurement system, operated under license NRC 298923. The system contains a source to generate gamma rays used in computerized density calculations. The source was 50 mCi of Cesium 137 when purchased in 1982. It has been estimated that the current content is only 25 mCi due to the natural radiation process.

(ii) A description of the circumstances under which the loss or theft occurred;

The Pepperidge Farm Norwalk Connecticut Bakery had fully shut down its production operation on July 31, 2003. Equipment from various production areas was transferred to other existing operating plants. Any equipment not being transferred was to be sold through our asset recovery broker to used equipment dealers. Any equipment remaining was to be scrapped to LaJoie's Auto Salvage in Norwalk, CT.

A letter received from the State of Connecticut, Department of Environmental Protection dated December 12, 2003 by Ms. Maria Fernandez was forwarded to the writer. The letter called for the renewal of the Norwalk Plant's moisture analyzer registration. Upon confirmation that the unit was not transferred to any operating plants, a call was placed to our equipment broker who contacted any likely buyers of equipment from that area. An extensive search was performed of the remaining Norwalk Plant equipment not yet removed. Daily time slips of the riggers removing the equipment revealed that the moisture analyzer was removed and scrapped to LaJoie's Auto Salvage the week of September 27, 2003.

(iii) A statement of disposition, or probable disposition, of the licensed material involved;

Upon leaving the Norwalk Bakery as scrap, the unit was sent to LaJoie's Salvage. It would have been shredded, bailed and sent to either one of two metal processing companies. They are Metal Management, New Haven, CT and Hugo Neu Schnitzer East, Jersey City, NJ. Both LaJoie's Salvage and the Connecticut Department of Environmental Protection have notified these companies regarding the missing material.

(iv) Exposure of individuals to radiation, circumstances under which the exposure occurred, and the possible total effective dose equivalent to persons in unrestricted areas;

The source was encased in a K-Ray manufactured double encapsulated sealed containment. Thermo MeasureTech performed a test on this unit on August 6, 2002. The results (copy attached) were negative $<2.0E-4$ uCi. The unit was not being used by the plant during production since 1992. It was shuttered closed. The shutter would have stayed closed during the removal and transporting to the scrap yard. The scrap yards procedure is to mechanically shred its scrap metal without human intervention. The shredders' effect on the encapsulated container would be to form a lead ball from the friction of the shredding process. Any inner source material would have been re-encapsulated in the melted lead. Exposure to individuals would have been negligible.

(v) Actions that have been taken, or will be taken, to recover the material;

Time Line

| # | DATE | EVENT | AGENCY | PERSONNEL | LOC. |
|---|----------|--|------------------|--|-------------------|
| 1 | 9/18/03 | Equipment removed from Norwalk 2 nd floor dry area to 1 st floor. | K&K Millwrights | K&K Millwrights | Norwalk Plant |
| 2 | 9/23/03 | Equipment removed from plant and placed in LaJoie's scrap containers | K&K Millwrights | K&K Millwrights | Norwalk Plant |
| 3 | 9/24/03 | Scrap picked up by LaJoie's Auto Salvage | LaJoie's Salvage | James Murphy | LaJoie's Salvage |
| 4 | 12/12/03 | Letter sent from CT-DEP to Maria Fernandez invoicing the plant for it's NRC license. | CT-DEP | | Norwalk Plant |
| 5 | 1/13/04 | Called Maria Fernandez confirming the moisture analyzer was not sent to any existing operating plants. | Pepperidge Farm | Maria Fernandez, Tom Rieth | Bloom-field Plant |
| 6 | 1/14/04 | Phone call to Drew Karol Industries confirming that the hopper was not sold. | Drew Karol Ind. | Andy Mizlowski | Norwalk Plant |
| 7 | 1/14/04 | Performed an on-site inspection of LaJoie's Auto Salvage yard looking for missing analyzer | LaJoie's Salvage | James Murphy 203.854.0767, Tom Rieth 203.846.7471 | LaJoie's Salvage |

| | | | | | |
|----|---------|---|---------------------------|--|--------------------------------------|
| 8 | 1/15/04 | Call to CT-DEP informing them of missing analyzer. | CT-DEP | Andrew Zwick, 860.424.3535 | Hartford , CT |
| 9 | 1/20/04 | Called from CT-DEP asking us to recheck salvage yard and provide more details on event. | CT-DEP | Andrew Zwick, 860.424.3535 | Hartford , CT |
| 10 | 1/20/04 | Asked salvage inspector with geiger counter to come up from Pennsylvania, PA on 1/22/04 | Health Physics Associates | Tony Lamastra 610.756.4153 | Lionsville, PA |
| 11 | 1/21/04 | Visit from CT-DEP, two inspectors with geiger counters to help inspect salvage yard. Nothing was found. | CT-DEP, LaJoie's Salvage | Mike Firsick 860.424.3517, Fred Scheuritzel 860.424.3530 James Murphy 203.854.0767 Tom Rieth 203.846.7471 | LaJoie's Salvage |
| 12 | 1/21/04 | Cancelled Health Physics Associates inspector. CT-DEP sent their own health physics inspectors to examine the scrap yard a day earlier than the HPA inspector was scheduled to arrive. | Health Physics Associates | Tony Lamastra 610.756.4153 | Lionsville, PA |
| 13 | 1/22/04 | Visit from CT-DEP inspector looking at the Norwalk facility and checking on the status of the device's leak testing reports. All records were in order. A survey of the closed plant by geiger counter revealed no radioactive sources present. | CT-DEP | Fred Scheuritzel 860.424.3530, Tom Rieth 203.846.7471 | Norwalk Plant & Corp. |
| 14 | 1/22/04 | Conversation with the NRC on the missing unit. Filled in all the details requested by phone in accordance with regulation, 10 CFR 20.2201 Reports of theft or loss of licensed material. | NRC | Donna Janda NRC Health Physicist 610.337.5371 Tom Rieth 203.846.7471 | NRC, Region I King of Prussia, PA |
| 15 | 1/23/04 | Performed an additional on-site inspection of LaJoie's Auto Salvage yard looking for missing analyzer. Brought color pictures of the unit and showed to employees. | LaJoie's Salvage | James Murphy 203.854.0767 Tom Rieth 203.846.7471 | LaJoie's Salvage |

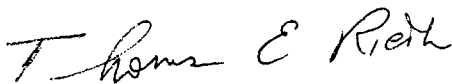
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| 16 | 1/27/04 | Trailers of used equipment purchased by vendors but still on-site opened and inspected for analyzer. Nothing was found. | Pepperidge Farm | Tom Rieth 203.846.7471, Wayne Pelzer | Norwalk Plant |
| 17 | 3/1/04 | Follow up phone call to the two possible metal processing companies, inquiring about missing material status. | Pepperidge Farm | Tom Rieth 203.846.7471 | Norwalk Corp. |

(vi) Procedures or measures that have been, or will be adopted to ensure against a recurrence of the loss or theft of the licensed material.

The environmental section of the Campbell Soup Company Plant Closing Procedures will be amended to include the following:

9. An examination is to be made into any existing NRC licenses for the facility. All devices containing nuclear sources are to be decommissioned by a properly licensed firm and disposed of in a manner acceptable to all current NRC regulations.

Any questions remaining or clarifications required regarding this letter, feel free to phone the writer at (203) 846-7471.



Thomas E. Rieth
Manager Infrastructure & Environmental Engineering
Pepperidge Farm, Inc.

Cc: Michael Firsick, CTDEP
Frederick Scheuritzel, Jr., CTDEP
Robert Shober, Campbell Soup Company
Dave Watson, Pepperidge Farm
Carlos Pena, Pepperidge Farm
Faith Greenfield Campbell Soup Company