



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

February 21, 2006

Docket No. 03037115
Control No. 138220

License No. 37-00030-11

Larry Harmon
General Manager
New Company
c/o Safety Light Corporation
4150A Old Berwick Road
Bloomsburg, PA 17815

SUBJECT: NEW COMPANY, REQUEST FOR ADDITIONAL INFORMATION
CONCERNING APPLICATION FOR NEW LICENSE, CONTROL NO. 138220

Dear Mr. Harmon:

This is in reference to your letter dated January 9, 2006, applying for a Nuclear Regulatory Commission license. To adequately consider your request for a new license, the NRC will require additional specific information for review. In order to continue our review, we need the following additional information:

1. In accordance with Section 8.2 of NUREG-1556, Volume 12, you must list the legal name of the corporation or other legal entity with direct control over possession and use of radioactive material. Your application does not specify the name of the new company or state if the company name will be Safety Light Corporation. Please submit the legal name of the corporation or other legal entity with direct control over possession and use of radioactive material.
2. In accordance with Section 8.3 of NUREG-1556, Volume 12, the applicant must specify the proposed location of possession or possession and use by street address, city, state, and zip code or other descriptive address. Before issuance of a new license, you must provide further information regarding the address where licensed material will be used or possessed.
3. In accordance with Section 8.5.1 of NUREG-1556, Volume 12, the applicant should list each requested radioisotope and the maximum possession limit. Item 5 of your application requests a maximum possession of 125,000 curies of tritium in sealed glass sources. Please confirm that this maximum possession amount is actually needed, given that most EXIT signs contain 20 curies of tritium or less and that 125,000 curies would represent approximately 6,250 EXIT signs at your facility at any given time.
4. In accordance with Section 8.5.2 of NUREG-1556, Volume 12, the applicant must submit the required documents for financial assurance. Item 5 of your application requests 125,000 curies of tritium in sealed glass sources. Pursuant to 10 CFR 30.35(d), byproduct material in sealed sources does not require provision of financial assurance until greater than 10^{10} times the applicable quantity (for tritium, the applicable

quantity is 1,000 microcuries, which is 1 millicurie); that is, for sealed sources of tritium, financial assurance is not required unless you are authorized to possess more than 1 E7 curies.

- a. Your manufacturing processes require handling of the sealed tritium sources while assembling the EXIT signs and during disassembly of EXIT signs; based on your operating experience, you should determine the maximum quantity of unsealed material that will be used or possessed within your facility. State the quantity of unsealed tritium for which you require authorization on the license. Your estimate of the amount of unsealed material to be authorized may be based on past operating experience, but you should provide a description of the data (survey records, incident investigation reports, bioassay results, etcetera) that form the basis of your request.

Note that 10 CFR 30.35 requires that licensees authorized to possess and use unsealed licensed material with a half-life greater than 120 days in quantities greater than those described in 10 CFR 30.35(d) must submit certification for financial assurance or a decommissioning funding plan (DFP) in any new or renewal application. The applicable quantity for tritium is 1 millicurie, and financial assurance is required to be provided if you possess more than 10^3 times that quantity; that is, if you will be authorized to possess more than 1 curie of tritium.

- b. You provided a "Decommissioning Funding Plan for a New Tritium Products Assembly Facility" with your application. Although you provided the appropriate level of detail for the cost estimate as discussed in Appendix A.3 to Volume 3 of NUREG-1757, "Consolidated NMSS Decommissioning Guidance," you requested that the financial assurance mechanism be funded by an escrow account into which funds will be placed monthly until the full amount of the cost estimate is funded (\$113,000). This is not an acceptable financial assurance mechanism.

If your license requires provision of financial assurance, you must submit certification for financial assurance in the prescribed amount using one or more of the approved financial assurance mechanisms provided in Chapter 4 to Volume 3 of NUREG-1757. Please follow closely the recommended wording for financial assurance mechanisms found in Appendix A to Volume 3 of NUREG-1757.

5. In accordance with Section 8.5.1 of NUREG-1556, Volume 12, the applicant must provide **with the application** either: (1) an evaluation showing that the maximum off-site dose due to a release of radioactive materials will not exceed stated limits; or (2) an emergency response plan for responding to a release in accordance with the criteria listed in 10 CFR 30.32(i). In Section 4.0.0 of your application, you stated that an emergency response plan, if needed, will be prepared and included with the operating and emergency procedures before receipt of licensed material. You have requested possession limits which may require an emergency plan under the requirements of

- 10 CFR 30.32(i)(1) (see item 4. above). Please submit the required plan or a justification as to why the plan should not be required for your license. You may wish to refer to Regulatory Guide DG-3005, "Standard Format and Content for Emergency Plan for Fuels Cycle and Materials Facilities" for assistance in preparing an emergency plan.
6. 10 CFR 20.1101(c) requires licensees to review the content and implementation of their radiation protection programs at least annually. In accordance with Section 8.5.1 of NUREG-1556, Volume 12, applicants must provide a description of the audit program that addresses objectives of audits, scope of audits, qualifications of auditors, frequency of audits (including the justification of the frequency), audit techniques, the process to deal with and correct problems or deficiencies, and records to be maintained. In the "New Company Audit Program" Section of your application, you provided the scope of the audits. Please submit more details of your audit program including objectives of audits, qualifications of auditors (and who will be performing the audits), frequency of audits (including the justification of the frequency), audit techniques, the process to deal with and correct problems or deficiencies, and records to be maintained
 7. In accordance with Section 8.7 of NUREG-1556, Volume 12, the applicant should submit an organizational chart describing the management structure, reporting paths, and the flow of authority between executive management and the RSO. Please provide documentation of the management structure, reporting paths, and the flow of authority between executive management and the RSO.
 8. In accordance with Section 8.10.6 of NUREG-1556, Volume 12, the applicant must state that operating and emergency procedures will be implemented and maintained. In Section 4.0 (Operating and Emergency Procedures) of your application, you did state that operating and emergency procedures will be developed and documented. Please confirm that operating and emergency procedures will be implemented and maintained.
 9. In accordance with Section 8.10.7 of NUREG-1556, Volume 12, the applicant should propose and justify what radiation levels and contamination limits will be allowed for each work area. In Section 5.0 (Surveys and Leak Tests) of your application, you listed the method of surveys for airborne contamination, surface contamination, personnel smears, and airborne effluents. Please specify the action limits for ambient radiation level and contamination surveys and the actions to be taken when these limits are exceeded. Appendix P of NUREG-1556, Volume 12 may be helpful in preparing your response.
 10. In accordance with Section 8.10.7 of NUREG-1556, Volume 12, the applicant must submit a description of procedures to evaluate a radiological hazard. In Section 6.0 (Waste Management) of your application, you stated that potentially contaminated liquid effluent would be collected in a catch tank, assayed to determine the level of radioactivity, and released to the sewer or pumped into a tanker for disposal to sewer. Describe your procedures for complying with 10 CFR 20.1302 for releases of licensed material in liquid effluents to unrestricted areas such as sewerage treatment facilities privately owned or operated by the licensee (septic tanks, leach fields or other). Include a description of the types of surveys to be performed, the frequency of surveys, the individuals responsible for performing surveys, the equipment to be used, and the

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procedures for evaluating results. Please confirm that you will develop, implement and maintain written waste disposal procedures for licensed material in accordance with 10 CFR 20.1101, that also meet the requirements of the applicable section of Subpart K to 10 CFR Part 20.

Current NRC regulations and guidance are included on the NRC's website at www.nrc.gov; select **Nuclear Materials; Medical, Industrial, and Academic Uses of Nuclear Material**; then **Toolkit Index Page**. Or you may obtain these documents by contacting the Government Printing Office (GPO) toll-free at 1-888-293-6498. The GPO is open from 7:00 a.m. to 9:00 p.m. EST, Monday through Friday (except Federal holidays).

We will continue our review upon receipt of this information. Please reply to my attention at the Region I Office and refer to Mail Control No. 138220. If you have any technical questions regarding this deficiency letter, please call me at (610) 337-5040.

If we do not receive a reply from you within 30 calendar days from the date of this letter, we will assume that you do not wish to pursue your application.

Sincerely,

Original signed by Elizabeth Ullrich

Betsy Ullrich
Senior Health Physicist
Commercial and R&D Branch
Division of Nuclear Materials Safety

L. Harmon
New Company

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