

U.S. NUCLEAR REGULATORY COMMISSION

REGION V

Report No. 85-02

License No. 04-03742-02

Priority 7

Category K

Licensee: Kaiser Cement Corporation
300 Lake Side Drive
Oakland, California 94612

Facility Name: (Same as above)

Conference at: NRC Region V office, Walnut Creek, California

Conference conducted: May 29, 1985

Participants: J. L. Montgomery
L. Montgomery, Chief, NMSS Branch

6/26/85
Date Signed

R. D. Thomas
R. D. Thomas, Chief, NMS Section

6/26/85
Date Signed

Approved by: R. A. Scarano
R. A. Scarano, Director
Division of Radiation Safety and Safeguards

6/26/85
Date Signed

Summary:

Enforcement Conference on May 29, 1985 (Report No. 85-02)

The following matters were discussed:

1. The violations identified during the last inspection and the circumstances associated with the temporary loss of a gauge at the Montana City, Montana plant.
2. NRC enforcement options
3. NRC concerns
4. Licensee management responsibilities

The enforcement conference involved a total of two hours, utilizing two NRC representatives.

8507150606 850701
REG5 LIC30 PDR
04-03742-02

DETAILS

1. Enforcement Conference Participants

R. Berby, Manager, Environmental Control and Energy, Kaiser Cement Corporation
J. Pennell, Research Supervisor, Kaiser Cement Corporation
J. Montgomery, Chief, Nuclear Materials Safety and Safeguards Branch, NRC
R. Thomas, Chief, Nuclear Materials Safety Section, NRC

2. Enforcement Conference

On May 29, 1985, an enforcement conference was held at the NRC Region V office, Walnut Creek, California with the individuals listed above participating. The enforcement conference was related to the safety inspection conducted at the Permanente, California plant, and the report of a lost gauge at the Montana City, Montana plant. The activities at these locations were authorized by NRC License Number 04-03742-02. The inspection was conducted on May 16, 1985 by a NRC Region V inspector. The enforcement conference was announced in a letter to the licensee dated May 22, 1985. A copy of that letter is attached.

Mr. J. Montgomery, NRC, stated that the purpose of the enforcement conference was based upon the results of the special inspection which was conducted at the Permanente, California plant. Of the seven violations identified, two items were classified as a Severity Level III violation which was associated with the lack of security of the sources at the Montana City, Montana plant. Three of the remaining violations were associated with the transfer of a gauge to the Lone Star Hawaii Cement Corporation, Ewa Beach, Hawaii when the plant was sold by the Kaiser Cement Corporation. Mr. Montgomery stressed the need for strong participation on the part of management to control the overall licensed program and assure an acceptable radiological safety program.

Mr. R. Thomas, NRC, reviewed the enforcement history of the licensee. The individual violations associated with the temporarily lost source, and the transfer of a source to an unauthorized recipient was discussed in detail. Mr. Thomas stressed that Kaiser Cement Corporation was still responsible for the source which was transferred to the Lone Star Hawaii Cement Corporation until the recipient could obtain a license amendment authorizing possession of the source.

Mr. Berby, licensee representative, stated that this matter would be resolved with the Lone Star Hawaii Cement Corporation, and Kaiser Cement Corporation would retain responsibility for the source until it could be officially transferred as authorized by their license.

Mr. J. Pennell, licensee representative, stated that the violation associated with the shipping papers relative to the transfer of a 150 millicurie cesium-137 source to their plant in Nanakuli, Hawaii was in error. He stated that the papers were not available at the time of the inspection; however, he would like to submit the shipping papers at this time and have the violation deleted.

Mr. R. Thomas, NRC, examined the shipping papers and found them acceptable. The violation will be withdrawn. The number of violations was reduced to six.

Mr. J. Pennell, licensee representative, stated that action was being taken to dispose of the sources at the Montana City, Montana plant. Also, when the source in Hawaii could be officially transferred to Lone Star Hawaii Cement Corporation, the Kaiser license would be terminated.

Mr. J. Montgomery, NRC, explained the enforcement policies and procedures of the NRC as published in 10 CFR 2, Appendix C. Copies of the enforcement policy were given to the licensee. Escalated enforcement actions such as civil penalties, order to modify, suspend, or revoke license, and orders to cease and desist were discussed. The relative significance of the different severity levels was explained. Mr. Montgomery informed the licensee that since a Severity Level III violation was involved, the NRC Headquarters enforcement and legal staff would be reviewing the matter for possible escalated enforcement action. The licensee would be notified officially of the final disposition in this matter.

3. Conclusions

The licensee's response to the enforcement conference was acceptable. The licensee stated they had no further need for the sources and when the final disposition had been completed, the license would be terminated.