

UNITED STATES
NUCLEAR REGULATORY COMMISSION

In the Matter of

B & B Tool Co.
(Milford, CT)

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Docket No. 040-08936

License No. STB-1505

EA No. 96-477

DEMAND FOR INFORMATION

I

B&B Tool Co. (licensee) holds byproduct material License No. STB-1505, issued by the Nuclear Regulatory Commission (NRC or Commission) pursuant to 10 CFR Part 40. The license was initially issued on April 22, 1987, was last renewed in its entirety on July 27, 1993, and is due to expire on July 31, 1998. The license authorizes the licensee to possess thorium only, pending access to a facility for disposal.

II

On November 7, 1996, the NRC, Region I, conducted a safety inspection (Inspection Report No. 040-08936/96-001) at 83 Erna Avenue, Milford, Connecticut of the activities authorized by License No. STB-1505. Based on the results of this inspection, it appears that the licensee has not disposed of licensed radioactive waste, as required by Condition 15 of the License. Condition 15 requires that,

"the licensee will dispose of the waste as soon as an acceptable disposal site is identified and the licensee has access to that facility. The licensee will send at least five (5) 55-gallon drums of waste for disposal each year, in the event that access to a disposal site is identified."

A low-level-radioactive-waste disposal site in Barnwell, South Carolina, was reopened to out-of-state waste on July 1, 1995. Based on discussions between the licensee and the inspector during a telephone conversation on October 8 and during the inspection on November 7, 1996, the licensee apparently was unaware of this fact.

In response to questioning from the NRC inspector, the licensee's President made statements regarding the licensee's ability to comply with Conditions 15 and 16 of the license. Specifically, on November 7, 1996, the President indicated that the licensee lacked the financial resources to comply with Condition 15, or to obtain financial assurance, as required by Condition 16 of the License. In addition, the President stated that the licensee had an agreement with a customer for the return of all consigned material provided by that customer. In particular, the President stated that the supplier of consigned stock material used in licensed activities, Allied Signal, then named AVCO/Lycoming, had agreed that all machined parts, scrap, and chips were to be returned to that customer. (This information was also provided in correspondence, from the licensee to the NRC, dated November 26, 1986). This information may be relevant to any further action the Commission may take with respect to the removal of waste from your facility. Therefore, further information and documentation are needed to determine whether the Commission can have reasonable assurance that in the future the licensee will conduct its activities in accordance with the Commission's requirements.

III

Accordingly, pursuant to sections 161c, 161o, 182 and 186 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR 2.204 and 10 CFR 40.31(b), in order for the Commission to determine whether your license should be modified, suspended or revoked, or other enforcement action taken to ensure compliance with NRC regulatory requirements, the licensee is required to submit to the Director, Division of Nuclear Materials Safety, U.S. Nuclear Regulatory Commission, Region I, 475 Allendale Road, King of Prussia, PA 19406, within 30 days of the date of this Demand for Information, the following information, in writing and under oath or affirmation:

1. Any financial information and supporting documentation which supports the assertion of the licensee's President, that the licensee lacks the financial resources to comply with Condition 15 and 16 of the License. This information, for each of the last two years, should include, but not be limited to,
 - a) Profit and loss statements showing income and expenses including such items as gross sales and salaries,
 - b) Balance statements showing assets and liabilities,
 - c) Auditor's reports, and
 - d) Tax returns.
2. A statement from at least one financial institution that the licensee is unable to obtain a loan in order to comply with License Condition 15, and/or an appropriate financial instrument to comply with Condition 16, if either or both are true.

3. Any information and supporting documentation supporting the assertion that the licensee had an agreement with its customer that they would take back all of their consigned material in the form of machined parts, scrap, and chips. This information should include, but not be limited to,
- a) Any contracts executed between the licensee (its agents, representatives, or predecessors) and its customer (its agents, representatives, predecessors, or successors) that indicate the customer's obligation to take the waste,
 - b) Any other written documentation, such as, but not limited to, correspondence or memoranda supporting the assertion, and
 - c) The names and titles of individuals with whom this agreement was made.

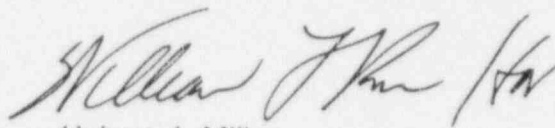
Copies also shall be sent to the U. S. Nuclear Regulatory Commission, ATTN: Assistant General Counsel for Hearings and Enforcement, Mail Stop 15B18, Washington, D.C. 20555, and to the Regional Administrator, NRC Region I, 475 Allendale Road, King of Prussia, Pennsylvania 19406.

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After reviewing your response, the NRC will determine whether further action is necessary to ensure compliance with regulatory requirements.

FOR THE NUCLEAR REGULATORY COMMISSION

A handwritten signature in cursive script, appearing to read "Hubert J. Miller".

Hubert J. Miller
Regional Administrator

Dated at King of Prussia, Pennsylvania
this 11th day of December 1996