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Revised to CGS, MHS
1/9/95

January 4, 1995

VIA FAX and
U.S. MAIL

J.A. Grobe, Chief
Nuclear Materials Inspection
Section 2
Nuclear Regulatory Commission
801 Warrensville Road
Lisle, Illinois 60532-4351

Re: Advanced Medical System
Agenda for January 11, 1995 Meeting
Our File: 62931/49779

Dear Mr. Grobe:

I refer to our several prior telephone conversations, most recently today, and confirm with thanks your advices that we are currently scheduled to meet at your offices in Chicago on 11 January 1995 at approximately 1:00 P.M.. I understand that you will confirm the date and time shortly.

Our pressing, mutual concern about the status of the sewer lateral connecting the AMS facility at 1020 London Road to the London Road interceptor of the Northeast Ohio Regional Sewer District (NEORS), as well as the issues raised in your report No. 030-16055/94003 (DRSS) prompt us to request that we devote our meeting on January 11, 1995 to the following issues:

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IN COLUMBUS ARTER & HADDEN 10 West Broad Street, Suite 2100 Columbus, Ohio 43215-3422 614/221-3155	IN DALLAS ARTER, HADDEN, JOHNSON & BROMBERG 1717 Main Street, Suite 4100 Dallas, Texas 75201-4605 214/761-2100	IN IRVINE ARTER & HADDEN 2 Park Plaza, Suite 700 Irvine, California 92714-8517 714/252-7540	IN LOS ANGELES ARTER & HADDEN 700 South Flower Street, Suite 3000 Los Angeles, California 90017-4250 213/629-9300	IN WASHINGTON, D.C. ARTER & HADDEN 1801 K Street, N.W., Suite 400K Washington, D.C. 20006-1301 202/773-7100
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1. AMS's action plan, submitted on December 28, 1994 to NRC in response to a CAL RIII-94-008, including, AMS' proposals for dealing with water currently accumulated on the basement floor of the facility at 1020 London Road, elimination of groundwater buildup around the facility due to the placement of a compression plug in the sewer lateral by NEORS and the fixing of any residual activity in the lateral, using the INSITUFORM process;

2. Work necessary to develop a protocol for handling and disposing of future accumulations of wastewater in the lateral.

3. The apparent violation set forth at page 2 (fax page 4) of NRC report No. 030-16055/94003 (DRSS).

You have requested that we state in writing AMS's position with respect to the apparent violation. We take this opportunity to summarize AMS's position as follows:

a) Title 10, Code of Federal Regulations, Part 20.2003 does not apply to the conditions encountered by NRC as reflected in report No. 030-16055/94003 (DRSS). This regulation applies only to the discharge of licensed materials. AMS, as you know, has not discharged licensed materials into the sewer system since approximately 1989, when AMS stopped manufacturing teletherapy sources. AMS has discharged wastewater from sinks and toilets located in unrestricted areas of the facility, as well as stormwater runoff from the roof of the building and groundwater since that time. The lack of any evidence of significant transferable activity in the AMS drains within the unrestricted areas of the building confirm that there have been no discharges of Cobalt 60 from the facility. See Table No. 2 of report No. 030-16055/94003 (DRSS). There is no evidence that Cobalt 60 has been discharged into groundwater or stormwater.

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b) There is no evidence that any radioactivity in the samples collected (water, smears, sediment) from the AMS lateral is insoluble, or not readily dispersible biological material. Once AMS discharged any residual activity into the sewer system (during the time that it was making these discharges in connection with its source manufacturing operations) AMS lost control of the material. The presence of trace quantities of residual material in the lateral does not establish current (post 1/1/94) discharges. Further, because the lateral is a sanitary sewer it is all but certain that bacteria existing in the sewer have incorporated residual Cobalt from the pre-1989 discharges as a nutrient.

c) There is no evidence that Cobalt 60 has transferred from the AMS lateral to the remainder of the sanitary sewer system. No Cobalt 60 was found on the surfaces of the interceptor, in the sludge or in the water either upstream or downstream from the place where the AMS lateral connects with the interceptor. Further, as now confirmed by NRC inspection report No. 999-90003/94060 (DRSS), no Cobalt 60 has been found in the "works" of the Easterly plant, which is in direct communication with the London Road interceptor. Identical sampling data is reflected in the same report with respect to the Southerly wastewater treatment plant, which receives sludge directly from Easterly via an underground pipeline.

d) AMS is prepared to take prompt action to address any residual activity in the lateral.

AMS has not discharged any licensed material from its facility since approximately 1989. Further, there is no evidence that the residual material currently residing in the lateral, even if it could qualify as a discharge, is either not readily soluble or not readily dispersible biological material. Accordingly, there is no basis for the finding of a violation of 10 C.F.R. 20.2003 on the part of AMS.

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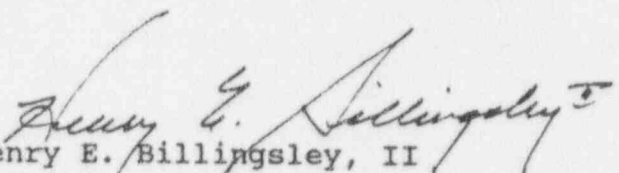
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We appreciate your invitation to suggest an agenda and to comment briefly on these issues. We look forward to discussing these matters in further detail at our meeting on January 11, 1995 in Chicago.

Thank you very much.

Very truly yours,

ARTER & HADDEN


Henry E. Billingsley, II

HEB/b

cc: via fax
David Cesar
Dwight Miller, Esq.
Carol Berger, C.H.P.