

# Advanced Medical Systems, Inc.

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*Dorothy*

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## FAX MESSAGE

TO: JOHN MADERA, CHIEF  
NUCLEAR MATERIALS LICENSING SECTION  
U.S.N.R.C. - REGION III

FAX NO.: 708/515-1259

FROM: DAVID CESAR *D Cesar*  
TREASURER

DATE: MAY 30, 1995

RE: LICENSE NO. 34-19089-01  
CONTROL NO. 97891

=====

We request an extension until June 16, 1995 to respond to your request for additional information on our license renewal.

If you have any questions, please contact me.

DC/mz

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REGION II

ADVANCED MEDICAL SYSTEMS, INC.  
NORTHEAST OHIO REGIONAL SEWER DISTRICT

STRATEGY PLAN

Task No. 1 - Resolve Facility Water Issues

Lead - Region III

Support - IMNS/NMSS

Task completion date: July 1995

Current Status

- \* License amendment # 32, March 17, 1995, authorizes water processing
- \* Wastewater stored outside facility in above ground tanks processed and pumped to "storage bladders" inside the facility
- \* Processing of basement water began week of April 10, 1995
- \* Unexpected problems encountered in the processing of basement water being addressed by the licensee's contractor
- \* Water processing problems have been addressed, processing resumed on 5/17/95.

Pending Completion

- \* Complete processing of water in and around facility basement
- \* Isolate facility underdrain system and immobilize contaminated sewer piping
- \* Implement long term groundwater control and processing program
- \* Decontaminate or replace facility underdrain system
- \* Evaporate processed water stored in "bladders"
- \* Remediate city sewer interceptor and install new manhole/lateral system

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## Task No. 2 - Evaluate Facility Structural Integrity and Reduce Inventory and Decontaminate Facility

### Sub-Task A - Complete Structural Integrity Assessment

Lead - Region III

Support - IMNS/NMSS

Sub-task completion date: July 1995

- \* Assessment initiated by NRC civil engineer in October 1994 before foundation water problems existed
- \* Re-assessment will commence upon completion of water processing in June 1995

### Sub-Task B - Reduce Inventory and Decontaminate Facility

Lead - Region III

Support - IMNS/NMSS, OGC

Sub-task completion date: Late 1996

- \* Incorporate milestones for inventory reduction through license renewal
- \* ORDER inventory reduction program if licensing negotiations are unsuccessful
- \* Expect inventory reduction program to be completed within 12 months of license renewal
- \* Contractor to mill-out the stuck floor plug in the hot cell after facility water issues are resolved.
- \* Complete physical inventory of material stored in the stuck floor plug.

## Task No. 3 - Develop Contingency Plan to Address Situation Where AMS Abandons the Facility

Lead - IMNS/NMSS

Support - OGC & Region III

Task Completion date: November 1995

In the event that AMS were to abandon the facility, NRC needs a contingency plan that addresses the actions identified below.

### Actions that must be taken to address proposed situation:

#### Immediate Actions:

- \* Order licensee to take responsibility for actions
- \* Verify that the facility is secure and in a safe shutdown condition.
  - Maintain ADT security services
  - Maintain ventilation and emergency electrical back-up systems
  - Maintain contractor control of basement water
  - Maintain operation and testing of radiological monitoring systems
- \* Consider other federal options such as Superfund (EPA).

#### Short term actions:

- \* Order payment of decommissioning funds into standby trust (currently irrevocable standby letter of credit for \$1.8 million from Bank One, Cleveland)
- \* Work with Trustee to hire contractor for -- Immediate security and maintenance needs and submittal of decommissioning plan
- \* In the event AMS were to file for bankruptcy protection, file a notice of claim in bankruptcy proceeding and/or monitor proceeding.

#### Long term actions:

- \* Review and approve decommissioning plan
- \* Monitor progress of decommissioning and use of funds

## Task No. 4 - Complete Review and Issue License Renewal

### Sub-Task A - Review Safety Program

Lead - Region III

Support - N/A

Sub-task completion date: August 1995

- \* Review completed and deficiency letter issued April 17, 1995.
- \* Review license response to deficiency letter. Response due June 1, 1995.
- \* Review licensee response to deficiency letter.

### Sub-Task B - Review Emergency Plan

Lead - Region II

Support - IMNS/NMSS

Sub-task completion date: August 1995

- \* NMSS review completed April 13, 1995
- \* Licensee soliciting comments on its plan from several offsite response organizations
- \* Emergency plan deficiencies identified by NMSS under regional review
- \* Region continues to work with State Emergency Response Commission and County and City emergency planning committees to resolve concerns
- \* Deficiency letter to be issued May 1995
- \* Review licensee response to deficiency letter

### Sub-Task C - Review Decommissioning Plan and Cost Estimate

Lead - Region III

Support - DWM/NMSS

Sub-task completion date: June 1995

- \* Review has been completed and deficiency letter issued March 29, 1995.
- \* Review licensee response to deficiency letter. Response due May 31, 1995.

## Sub-Task D - Review Decommissioning Financial Instruments

Lead - Region III

Support - DWM/NMSS

Sub-task completion date: July 1995

- \* Review has been completed and deficiency letter issued March 13, 1995.
- \* Licensee response dated March 31, 1995, forwarded to DWM/NMSS for review on April 14, 1995.

## Task No. 5 - Conduct License Renewal Hearing-Subpart L

Lead - OGC

Support - Region III, IMNS/NMSS

Task completion date: OPEN

Presiding Officer has been assigned and parties have been established.

- \* Hearing file filed on April 12, 1995
- \* Presiding officer to issue a schedule for the submission of written presentation
- \* Request from the Village of Newburgh Heights to participate as an interested municipality pending before the Presiding Officer. The staff did not oppose request.
- \* Staff prepare presentation for license renewal hearing. Date for hearing not established.

## Task No. 6 - Respond to 10 CFR 2.206 Requests from NEORSD

### Sub-Task A - First Petition dated March 3, 1993

Lead - IMNS/NMSS

Support - OGC

Task completion date: OPEN

Petition Request: 1) AMS assume cost of cleanup of NEORSD  
2) AMS decontaminate sewer connecting London Road facility with public sewer and continue decontamination to extent sampling indicates is necessary

Acknowledgement of Petition: Published in FR on April 13, 1993

Status of Director's Decision:

NMSS forwarded draft Director's Decision to OGC for review on December 28, 1994. OGC drafting Commission options paper.

Options paper addresses the scope of responsibility of licensees for offsite contamination as a result of licensed activities, notwithstanding apparent compliance with applicable release limits during the period of those licensed activities, which results in a level of offsite contamination of another person's property that must be controlled and/or remediated.

Supplemental Correspondence with NEORSD that is being handled under Petition 1

Letter from NEORSD dated September 13, 1994

- Request: 1) Pursuant to 10 CFR 2.206, NRC commence enforcement action against AMS, pursuant to NRC authority under 10 CFR 20.601 (Violations), for violation of 10 CFR 20.401(c)(3) (Records of surveys, radiation monitoring, and disposal); NEORSD believes disposal records are grossly inaccurate
- 2) NRC commence enforcement action against AMS on violation of 10 CFR 20.303(a) (Disposal by release into sanitary sewerage systems), which requires that all material discharged be readily soluble or dispersible



Letter from NEORSD dated October 13, 1994

Request : 1) In addition to the enforcement actions requested on September 13, 1994, the NRC also commence an enforcement action against AMS for violation of 10 CFR 20.2003 (discharges that are not readily soluble)

## Sub-Task B - Second Petition dated August 19, 1994

Lead - IMNS/NMSS

Support - OGC

Task completion date: CLOSED - June 16, 1994

Petition Request: AMS provide adequate financial assurance to cover public liability pursuant to section 170 of the Atomic Energy Act of 1954, as amended

Acknowledgement of Petition: Published in FR on December 6, 1993

Status of Director's Decision:

Director's Decision signed June 16, 1994, published in FR on June 24, 1994; Petition denied on the grounds that section 170 of the AEA (Price-Anderson) did not apply to this material licensee; NRC policy is not to apply the Price-Anderson to specific material licensees.

## Sub-Task C - Third Petition dated August 19, 1994

Lead - IMNS/NMSS

Support - OGC

Task completion date: OPEN

Petition Request: NRC require AMS to install, maintain, and operate a radiation alarm system on all drains at 1020 London Road, Cleveland, Ohio (AMS facility) that lead to either sanitary or storm sewers

Acknowledgement of Petition: Published in FR on September 19, 1994

Status of Director's Decision:

NMSS forwarded draft Director's Decision to OGC for review on February 2, 1995. OGC considering whether issue should be held pending licensing action to install monitor.

Task No. 7 - Respond to 10 CFR 2.802 Requests from NEORSD  
Dated August 2, 1993

Lead - RES

Support - IMNS/NMSS

Task completion date: Late 1999

- Petition Request:
- 1) NRC amend regulations to require all licensees provide at least 24 hour notice to the appropriate sewage treatment plant before releasing radioactive material to the sanitary sewer
  - 2) NRC exempt materials that enter the sanitary waste stream from the requirement regarding NRC approval for incineration

Acknowledgement of Petition: Published in FR on October 20, 1993

Status of Rulemaking Decision:

In the ANPR signed February 18, 1994, and published in FR on February 25, 1994, entitled Disposal of Radioactive Material by Release into Sanitary Sewer Systems, it was noted that comments on the issue raised by this Petition for Rulemaking would be considered in any possible revision to NRC regulations. Prior to making revisions to the regulations, RES has proposed that a model be developed to evaluate the Part 20 sewer release limits.

## Task No. 8 - Characterization/Remediation of NEORSD Facilities

Lead - DWM/NMSS

Support - Region III

Task completion date: March 1997

The current objective is to remediate cobalt-60 contamination so that the NEORSD sites can be eventually released for unrestricted use. To achieve this objective, we will utilize a process consistent with our treatment of other unlicensed SDMP sites. We expect that the NEORSD will propose a decay-in-storage approach as their remediation and waste disposal methods. As discussed with the NEORSD representatives on February 27, 1995, we would likely approve a decay-in-storage approach for controlling subsurface contamination at both the Southerly and Easterly Plant sites with adequate controls. If an appropriate radiological health and safety program is proposed, we do not plan to require an NRC license.

There is no immediate health and safety hazard at the Southerly and Easterly Plants because the contamination is below the surface and the NEORSD's program includes controls and monitoring for any subsurface excavations that could result in public or worker exposure.

### Sub-Task A: Approval of the Southerly Plant Site Characterization Report

Sub-task completion date: July 1995.

The NEORSD's response dated February 27, 1995, to the NRC comments on the site characterization report submitted by the NEORSD dated June 30, 1994, are currently under review by the NRC staff.

### Sub-Task B: Preparation of the Remediation Plan Including Waste Disposal Option(s) by the NEORSD

Sub-task completion date: March 1996

NEORSD has agreed to prepare and submit remediation plan, based on the final site characterization report, for NRC's review. We expect a decay-in-storage approach to be proposed with appropriate radiological controls over the storage period. We expect NEORSD to submit a remediation plan by October 1995. NEORSD would propose a schedule for "remediation" in their remediation plan.

### Sub-Task C: Performance of Remediation and Final Survey by the NEORSD

Sub-task completion date: March 1997.

NEORSD will perform remediation of the site according to the remediation plan approved under Sub-Task B. Schedules for completion of the remediation would be proposed in the remediation plan. If NEORSD proposes to release site areas for unrestricted use, final surveys would be conducted and the data submitted to the NRC for review.

### Sub-Task D: Review of the Final Survey Report

Sub-task completion date: June 1997

IF NEORSD proposes to release site areas for unrestricted use, NRC staff will review any final survey reports and perform confirmatory surveys, if needed.

### Sub-Task E: Review of Easterly Plant Health and Safety Plan

Sub-task completion date: June 1997

On March 16, 1995, NRC requested NEORSD to provide a description of the radiological controls to be put in place at the Easterly Plant. NEORSD is considering the NRC request. NRC staff would review this plan when it is submitted.

### Sub-Task F: Periodic Site Visits

Sub-task completion date: Ongoing

NRC inspection staff would conduct periodic site visits to assess the radiological control program implementation. It is expected that site visits would be made on about a five year frequency. NRC inspection staff last visited NEORSD Easterly and Southerly plants during the week of October 31 -- November 4, 1994.

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**ADVANCED MEDICAL SYSTEMS, INC.  
NORTHEAST OHIO REGIONAL SEWER DISTRICT**

**STRATEGY PLAN**

Task Completion Date

**I. Near Term Operational Issues**

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|---|---------------|
| Task No. 1 - Resolve Facility Water Issues  | July 1995     |
| Task No. 2 - Evaluate Facility Structural Integrity and Reduce Inventory and Decontaminate Facility |               |
| A - Complete Structural Integrity Assessment  | July 1995     |
| B - Reduce Inventory and Decontaminate Facility   | Late 1996     |
| Task No. 3 - Develop Contingency Plan to Address Situation Where AMS Abandons the Facility          | November 1995 |

**II. License Renewal Process**

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|--|-------------|
| Task No. 4 - Complete Review and Issue License Renewal |             |
| A - Review Safety Program                              | August 1995 |
| B - Review Emergency Plan                              | August 1995 |
| C - Review Decommissioning Plan and Cost Estimate      | June 1995   |
| D - Review Decommissioning Financial Instruments       | July 1995   |
| Task No. 5 - Conduct License Renewal Hearing-Subpart L | OPEN        |

**III. Petitions**

- |   |           |
|---|-----------|
| Task No. 6 - Respond to 10 CFR 2.206 Requests from NEORSD                         |           |
| A - First Petition dated March 3, 1993  | OPEN      |
| B - Second Petition dated August 19, 1994   | CLOSED    |
| C - Third Petition dated August 19, 1994  | OPEN      |
| Task No. 7 - Respond to 10 CFR 2.802 Requests from NEORSD<br>Dated August 2, 1993 | Late 1999 |

**IV. NEORSD Status**

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|--|------------|
| Task No. 8 - Characterization/Remediation of NEORSD Facilities                           | March 1997 |
| A - Approval of the Southerly Plant Site Characterization Report                         | July 1995  |
| B - Preparation of the Remediation Plan Including Waste Disposal Option(s) by the NEORSD | March 1996 |
| C - Performance of Remediation and Final Survey by the NEORSD                            | March 1997 |
| D - Review of the Final Survey Report  | June 1997  |
| E - Review of Easterly Plant Health and Safety Plan                                      | June 1997  |
| F - Periodic Site Visits   | Ongoing    |