

SLA:BN
94-6558-3
70-472

FEB 10 1965

Marshall Chemical Company
1945 East 97th Street
Cleveland 6, Ohio

Attention: Mr. E. C. Stewart
Vice President

Gentlemen:

This refers to the inspection conducted on November 16, December 7, and December 9, 1964, of your activities authorized under AEC Byproduct Material License No. 34-6558-3 and AEC Special Nuclear Material License No. SNM-427.

It appears that certain of your activities were not conducted in full compliance with license conditions and the requirements of the AEC's "Licensing of Byproduct Material," Part 30, Title 10, Code of Federal Regulations, in that:

1. Milligram quantities of byproduct materials were possessed and used without a valid AEC license, contrary to 10 CFR 30.3, "License requirements." Except for americium 241, the possession and use of these byproduct materials had been authorized by License No. 34-6558-1 which expired on June 30, 1964. Americium 241 had been possessed in an unauthorized form and amount, and used for a purpose not specifically authorized in the expired license.
2. Records showing the receipt and transfer of byproduct materials were not complete, contrary to 10 CFR 30.41(a), "Records."

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License No. 34-6558-3

3. For about three years, until the issuance of Amendment No. 1 to License No. 34-6558-3 on October 20, 1964, you possessed and used a 50 millicurie cesium 137 source in a level measurement gauge without a valid AEC license, contrary to 10 CFR 30.3, "License requirements."
4. The two cesium 137 gauges which were received in January, 1964, were installed and later relocated by Harshaw Chemical Company personnel who were not specifically authorized by the Commission to perform this service, contrary to License Condition No. 16 which specifies that the installation and relocation of such gauges shall be performed by Industrial Nucleonics Corporation personnel or other persons who are specifically authorized by the Commission to perform such services.
5. In the absence of a certificate from the supplier showing that a leak test had been performed on the two 25 millicurie cesium 137 sealed sources within six months of their transfer to you, the sealed sources were placed in use without leak testing them, contrary to License Condition No. 15(A).

License No. SUM-427

6. The plutonium-beryllium neutron source was not leak tested at intervals of six months or less as required by License Condition No. 8 which incorporated the procedures contained in your license application dated January 17, 1961.

The leak test requirements are presently described in License Condition No. 11.

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The alleged deficiency described in Item 1 appears to have been corrected with the issuance of License No. 34-6558-5 on December 24, 1964. With respect to Items 2 through 6, this notice is sent to you pursuant to the provisions of Section 2.201 of the AEC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations. Section 2.201 requires you to submit to this office, within twenty (20) days of your receipt of this notice, a written statement or explanation in reply including (1) corrective steps which have been taken by you, and the results achieved; (2) corrective steps which will be taken; and (3) the date when full compliance will be achieved.

In addition to the matters described above, we understand that certain of your activities conducted under License No. 34-6558-1, before it expired on June 30, 1964, were not in full compliance with a condition of that license, in that:

- A. Byproduct material sealed sources were not leak tested at intervals of six months or less as required by Condition No. 16(A).
- B. Records of these leak tests conducted were not maintained in units of microcuries as required by License Condition No. 16(B).

In your reply to this letter, please inform us of the steps which have been or will be taken by you to avoid a recurrence of the foregoing deficiencies in your byproduct material program conducted pursuant to License No. 34-6558-5.

Very truly yours,

cc: Mr. J. Manefee

Mr. C. E. Hoskins, Plant Manager
113 John St., Elyria, Ohio

Eber R. Price, Director
Division of State and
Licensee Relations

bcc: Compliance Div., HQ
Compliance Div., III
Public Document Room

SIGNED CONCURRENCE COPY IN BYPRODUCT FILE

OFFICE ▶	SLR:EB RH:RSP 2-4-65	CO 2/8/65	SLR E. Price 2/9/65			
SURNAME ▶						
DATE ▶						