



Corporate Human and
Environmental Protection

World Headquarters
Courthouse Plaza Northeast
Dayton, Ohio 45463

Telephone: 513-222-6323

January 13, 1988

CERTIFIED

RETURN RECEIPT REQUESTED

Mr. James Lieberman
Director
Office of Enforcement
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

RE: Reply to Notice of Violation and Proposed Imposition of Civil Penalty
(NRC Inspection Report No. 999-90003/87006)

Dear Mr. Lieberman:

This letter constitutes The Mead Corporation's (Mead's) reply to the Notice of Violation and Proposed Imposition of Civil Penalty ("Notice") it received December 21, 1987 from A. Bert Davis, Regional Administrator, Region III (Attachment A) as required by 10 C.F.R. §2.201. The information presented herein corresponds to that requested by Mr. Davis on page 2 of the Notice.

1. Violations

Mead admits to the three violations listed in the Notice on page 2, Sections 1A, B, and C concerning Mead's improper disposal of devices containing by-product material, contrary to the requirements of 10 C.F.R. §31.5(c)(8). Mead encloses a check made payable to the Treasurer of The United States in the amount of \$1,500.00 which is the cumulative amount of civil penalties assessed for these violations.

Mead also admits to the three violations listed on page 4, Sections 2A, B and C concerning Mead's failure to test general license materials at intervals specified in 10 C.F.R. 31.5(c)(2).

2. Reasons for the Violations

All of the violations involve static eliminator devices which individual Mead facilities purchased in the late 1970's through early 1980's. At that time, individual plants had the authority to purchase general license materials without having to obtain corporate approval. Several plants purchased radioactive static eliminator bars to remove static electricity from paper during the manufacturing process. However, in many cases, the bars failed to perform as anticipated and their use was discontinued. At about the same time, Herbert Products, Inc., (the vendor of the bars), discontinued sending reminder notices for leak tests to Mead facilities. Apparently, without these notices,

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Rec'd w/CHCK \$1,500.00
#341771

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plant employees no longer remembered to schedule or perform the required periodic wipe tests. During the same time frame, there were also a number of plant personnel changes involving persons responsible for proper management of the static eliminator bars. However, when these changes occurred, it does not appear that management responsibility for general license devices was transferred.

With respect to the specific violations covered by this Notice, it appears that the three bars at Alexandria, Pennsylvania and four bars at Kalamazoo, Michigan were mistakenly discarded as scrap metal. The five Polonium 210 bars at the Lynchburg facility were most likely discarded and taken to a landfill following a flood at the facility. Plant personnel recall that the bars had been removed from and stored behind a paper machine prior to a major flood in 1985. As part of the flood cleanup effort, debris and silt were aggregated and sent to landfills. It is believed that stored bars were discarded along with this debris.

3. Corrective Steps That Have Been Taken and the Results Achieved

In July 1987, Mead Corporate Human and Environmental Protection Department (CH&EP) undertook a comprehensive investigation into the handling and disposition of all general license devices possessed by every Mead facility. This investigation was prompted by the Kalamazoo plant engineer's discovery in June 1987 that radioactive static eliminator bars had not been properly managed at that facility.

The investigation consisted of the following activities:

- (1) Review of all corporate and plant-specific records relating to radioactive materials;
- (2) Telephone inquiries and written communications with radioactive source manufacturers and vendors;
- (3) Discussions with Mead plant personnel familiar with radioactive devices;
- (4) Visual surveys of facilities;
- (5) Radiation monitor surveys of facilities; and
- (6) Investigation of scrap dealers in situations involving the suspected loss of a device, including a search of plant records and, in some instances, telephone inquiries, site visits, and radiation monitor surveys.

The attached table (Attachment B) indicates which activities were performed at each Mead location. A radiological survey was not conducted for the Polonium 210 static eliminator devices used at the Lynchburg, Virginia facility because the bars were purchased in 1982 and, by mid-1987, would have had such low activity as to be undetectable using a radiation monitor.

As a result of this investigation, Mead CH&EP located one static eliminator bar at the Lynchburg, Virginia facility and one at the Alexandria, Pennsylvania facility. (A total of eleven bars were accounted for or recovered as a result of the complete investigation.) Both bars were properly packaged, labeled and returned to the manufacturers for disposal. Mead promptly notified the NRC first by telephone and then in writing of all bars which could not be accounted for and thus were presumed lost. In addition, at all facilities where bars were presumed to have been lost, Mead CH&EP provided plant personnel with a photograph or description of the devices and instructions on how to handle devices which might subsequently be found.

As it stands, none of the facilities which are subject to this Notice currently possess any static eliminator bars. The Lynchburg, Virginia facility has two Krypton 85 basis weight gauges which are properly managed. Thus, Mead believes that the facilities are in full compliance with NRC requirements. In addition, these facilities will be subject to the corrective steps discussed below which are designed to ensure that all Mead facilities possessing any regulated radioactive material maintain strict compliance with NRC requirements.

4. The Corrective Steps that will be Taken to Avoid Further Violations

To avoid future violations and maintain tighter control over all radioactive material, CH&EP will oversee the Corporation's management of all radioactive materials. The central feature of CH&EP's control strategy is a computer inventory program.

The first step in developing this program was to gather information on all radioactive material. On September 29, 1987, CH&EP requested each Mead facility to provide copies of all records relating to general license materials. CH&EP also reviewed corporate records and all specific licenses to identify all radioactive devices Mead currently possesses. The existence of each device, along with other information (such as a description of the device, its location, etc.), has been entered into a computer inventory program. Every six months, CH&EP will forward to each individual facility possessing radioactive materials a copy of its inventory. The facility must check the information contained in this inventory to account for all devices and to ensure that all regulatory requirements have been or will be met. The facility must confirm and update the information and return it to CH&EP.

In addition to these inventory procedures, each facility must obtain CH&EP approval prior to acquiring new radioactive sources or to transferring existing sources. CH&EP will expand its present program for auditing radiation safety at facilities with specific licenses to include review of the handling of general license materials at all Mead operations. In this way, CH&EP will be able to maintain an accurate inventory of all sources and limit future acquisitions to appropriate and necessary devices only.

Additional corrective actions will include:

- (1) Posting of NRC "Notice to Employees" at all general as well as specific license facilities;
- (2) Implementation of an education program at all Mead operations possessing radioactive devices;

- (3) Review of each facility's Emergency Preparedness Plan to ensure that it informs local fire and emergency response personnel of the existence and location of radioactive devices; and
- (4) Assignment of radioactive devices management responsibilities to authorized, trained individuals at each facility.

Each facility has been reminded of its obligations to adhere strictly to the terms of its general or specific license.

5. The Date when Full Compliance will be Achieved

Mead believes it has brought the Alexandria, Pennsylvania, Lynchburg, Virginia and Kalamazoo, Michigan facilities into compliance with NRC requirements.

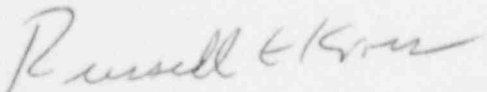
Its investigation of remaining Mead facilities is nearly complete. If any additional violations are found, compliance will be achieved as soon as possible.

Conclusion

Mead believes it acted promptly and effectively to remedy the inadequacies of its radioactive device management program once it identified problems. In addition, Mead is committed to taking appropriate future actions to ensure that its management program will not again fall short of achieving full compliance.

I hope the information contained in this Reply to the Notice of Violation meets the NRC's requirements. As requested, this reply is submitted under oath. If you have questions or require additional information, please contact me at (513) 439-9221.

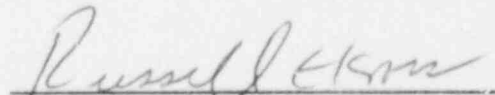
Very truly yours,



Russell E. Kross
Director, Corporate Human Environmental Protection Department

cc: A. Bert Davis
Regional Administrator
U.S. Nuclear Regulatory Commission
Region III
799 Roosevelt Road
Glen Ellyn, IL 60137

Russell E. Kross, being duly sworn, says that he is the Director of the Corporate Human and Environmental Protection Department, The Mead Corporation and that all of the statements set forth in the foregoing Reply to Notice of Violation are true to the best of his knowledge, information, and belief.




Russell E. Kross

STATE OF OHIO)
)
COUNTY OF MONTGOMERY)

Before me, a Notary Public, in and for said County and State, personally appeared the above named Russell E. Kross, who acknowledged that he did sign the foregoing documents and that the same is his free act and deed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal this 13th day of January, 1988.



NOTARY PUBLIC

WILLA B. DINGUS, Notary Public
In and for the State of Ohio
My Commission Expires Nov. 22, 1988



ATTACHMENT A
UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
799 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

DEC 21 1987

DEC 18 1987

General Licensee (10 CFR 31.5)
EA 87-215

The Mead Corporation
World Headquarters
ATTN: Mr. Russell E. Kross, Director
Human and Environmental
Protection Department
Courthouse Plaza Northeast
Dayton, OH 45463

Gentlemen:

SUBJECT: NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTY
(NRC INSPECTION REPORT NO. 999-90003/87006)

This refers to the inspection conducted during the period August 18 through October 26, 1987, at your Kalamazoo, Michigan facility. The inspection was in response to a licensee reported event regarding loss of static eliminator bars. Subsequently, other static eliminator bars were discovered lost by the licensee at other facilities within the Mead Corporation and reported to the NRC. An enforcement conference, to discuss the events, causes, and corrective actions, was held in the NRC Region III office on November 24, 1987.

It appears that during the 1979-1987 time frame, you removed and discarded 21 static eliminators to either scrapyards or landfills in both NRC Agreement and Non-Agreement states. Nine of the static eliminators were discarded from facilities in Agreement states and are not the subject of this enforcement action. The twelve static eliminators discarded within NRC jurisdiction were also not leak tested as required since 1979. It appears that the root cause of the events stemmed from programmatic weaknesses in the ability of Mead Corporation to maintain control over and leak test those devices.

To emphasize the need to develop and implement a program that ensures proper control over generally licensed devices, as well as the need to leak test such devices at required frequencies, I have been authorized, after consultation with the Director, Office of Enforcement, and the Deputy Executive Director for Regional Operations, to issue the enclosed Notice of Violation and Proposed Imposition of Civil Penalties in the amount of One Thousand Five Hundred Dollars (\$1,500) for the violations described in the enclosed Notice. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1987) (Enforcement Policy), the violations described in the enclosed Notice have each been categorized at Severity Level III.

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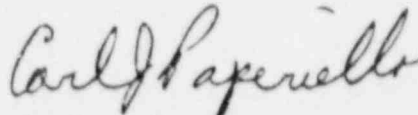
The base civil penalty for a Severity Level III violation is \$500. The NRC Enforcement Policy allows for escalation or mitigation of a civil penalty under certain circumstances. In this case, escalation of the base civil penalty was considered for the multiple examples of violation of 10 CFR 31.5(c)(8) at each facility; however, this was offset by the unusually prompt and extensive corrective actions taken once you identified the problem. For these reasons, no adjustment to the base civil penalty is warranted for the violations.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and its enclosure will be placed in the NRC Public Document Room.

The responses directed by this letter and the enclosed Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, Pub. L. No. 95-511.

Sincerely,



for

A. Bert Davis
Regional Administrator

Enclosure: Notice of
Violation and Proposed
Imposition of Civil
Penalties

NOTICE OF VIOLATION
AND
PROPOSED IMPOSITION OF CIVIL PENALTIES

The Mead Corporation
Dayton, Ohio

General License
(10 CFR 31.5)
EA 87-215

During an NRC inspection conducted during the period August 18 through October 26, 1987, violations of NRC requirements were identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1987), the Nuclear Regulatory Commission proposes to impose a civil penalty pursuant to Section 234 of the Atomic Energy Act of 1954, as amended (Act), 42 U.S.C. 2282, and 10 CFR 2.205. The particular violations and associated civil penalties are set forth below:

1. Violations Assessed Civil Penalties

10 CFR 31.5(c)(8) requires that, except as provided in 10 CFR 31.5(c)(9), a general licensee shall dispose of a device containing byproduct material only by transfer to persons holding a specific license pursuant to 10 CFR Parts 30 and 32 or from an Agreement State to receive the device.

- A. Contrary to the above, between 1979 and 1987, at the Mead Corporation's Kalamazoo, Michigan facility, four generally licensed static eliminator bars containing americium-241 were disposed of but not transferred to a person holding a specific license pursuant to 10 CFR Parts 30 and 32 or from an Agreement State to receive the device or as excepted by 10 CFR 31.5(c)(9).

This is a Severity Level III violation (Supplement VI).
Civil Penalty - \$500

- B. Contrary to the above, between 1979 and 1987, at Mead Corporation's Alexandria, Pennsylvania facility, three generally licensed static eliminator bars containing americium-241 were disposed of but not transferred to a person holding a specific license pursuant to 10 CFR Parts 30 and 32 or from an Agreement State to receive the device or as excepted by 10 CFR 31.5(c)(9).

This is a Severity Level III violation (Supplement VI).
Civil Penalty - \$500

- C. Contrary to the above, between 1982 and 1987, at the Mead Corporation's Lynchburg, Virginia facility, five generally licensed static eliminator bars containing polonium-210 were disposed of but not transferred to a person holding a specific license pursuant to 10 CFR Parts 30 and 32 or from an Agreement State to receive the device or as excepted by 10 CFR 31.5(c)(9).

This is a Severity Level III violation (Supplement VI).
Civil Penalty - \$500

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2. Violations Not Assessed Civil Penalties

10 CFR 31.5(c)(2) requires that the general licensee test the device for leakage of radioactive material at no longer than six-month intervals or as described on the label.

- A. Contrary to the above, between 1979 and 1987, the licensee failed to leak test static eliminator bars containing americium-241 at its Kalamazoo, Michigan facility every six months.

This is a Severity Level IV violation (Supplement VI).

- B. Contrary to the above, between 1979 and 1987, the licensee failed to leak test static eliminator bars containing americium-241 at its Alexandria, Pennsylvania facility every six months.

This is a Severity Level IV violation (Supplement VI).

- C. Contrary to the above, subsequent to 1982, the licensee failed to leak test static eliminator bars containing polonium-210 at its Lynchburg, Virginia facility every 13 months as described on the label.

This is a Severity Level IV violation (Supplement VI).

Pursuant to the provisions of 10 CFR 2.201, the Mead Corporation (Licensee) is hereby required to submit a written statement or explanation to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, within 30 days of this Notice. This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each alleged violation: (1) admission or denial of the alleged violation; (2) the reasons for the violation if admitted; (3) the corrective steps that have been taken and the results achieved; (4) the corrective steps that will be taken to avoid further violations; and (5) the date when full compliance will be achieved. If an adequate reply is not received within the time specified in this Notice, an order may be issued to show cause why the license should not be modified, suspended, or revoked or why such other action, as may be proper, should not be taken. Consideration may be given to extending the response time for good cause shown. Under the authority of Section 182 of the Act, 42 U.S.C. 2232, this response shall be submitted under oath or affirmation.

Within the same time as provided for the response required above under 10 CFR 2.201, the Licensee may pay the civil penalty by letter to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, with a check, draft, or money order payable to the Treasurer of the United States in the amount of the civil penalty proposed above, or the cumulative amount of the civil penalties if more than one civil penalty is proposed, or may protest imposition of the civil penalty in whole or in part by a written answer addressed to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission. Should the Licensee fail to answer within the time specified, an order imposing the

DEC 18 1987

civil penalty will be issued. Should the Licensee elect to file an answer in accordance with 10 CFR 2.205 protesting the civil penalty, in whole or in part, such answer should be clearly marked as an "Answer to a Notice of Violation" and may: (1) deny the violation(s) listed in this Notice in whole or in part; (2) demonstrate extenuating circumstances; (3) show error in this Notice; or (4) show other reasons why the penalty should not be imposed. In addition to protesting the civil penalty, such answer may request remission or mitigation of the penalty.

In requesting mitigation of the proposed penalty, the five factors addressed in Section V.B of 10 CFR Part 2, Appendix C (1987), should be addressed. Any written answer in accordance with 10 CFR 2.205 should be set forth separately from the statement or explanation in reply pursuant to 10 CFR 2.201, but may incorporate parts of the 10 CFR 2.201 reply by specific reference (e.g., citing page and paragraph numbers) to avoid repetition. The attention of the Licensee is directed to the other provisions of 10 CFR 2.205, regarding the procedure for imposing a civil penalty.

Upon failure to pay any civil penalty due which subsequently has been determined in accordance with the applicable provisions of 10 CFR 2.205, this matter may be referred to the Attorney General, and the penalty, unless compromised, remitted, or mitigated, may be collected by civil action pursuant to Section 234c of the Act, 42 U.S.C. 2282c.

The responses to the Director, Office of Enforcement, noted above (Reply to a Notice of Violation, letter with payment of civil penalty, and Answer to a Notice of Violation) should be addressed to: Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555 with a copy to the Regional Administrator, U.S. Nuclear Regulatory Commission, Region III.

FOR THE NUCLEAR REGULATORY COMMISSION


for A. Bert Davis
Regional Administrator

Dated at Glen Ellyn, Illinois
this 18 day of December 1987

ATTACHMENT B

THE MEAD CORPORATION

Investigation into Disposition of Static Eliminator Bars

General Inquiry		Interview Employees	Records Search	Visual Search	Monitor Survey	Records: Scrap Dealers	Follow- Up With Dealers	Notify
Plant	Vendors *							
<u>Products</u>								
Kalamazoo, MI	X	X	X	X	X	X	X	X
Garden Grove, CA	X	X	X	X	X	X	--	X
Atlanta, GA	X	X	X	X	X	X	--	X
Alexandria, PA	X	X	X	X	X	X	--	X
St. Joseph, MO	X	X	X	X	N/A	N/A	N/A	N/A
Salem, OR	X	X	X	X	X	N/R	N/R	N/R
Garland, TX	X	X	N/R	N/R	N/R	N/R	N/R	N/R
<u>Packaging</u>								
Atlanta, GA	X	X	X	X	X	X	X	X
Chicago, IL	X	X	X	X	X	X	X	X
Buena Park, CA	X	X	N/R	N/R	N/R	N/R	N/R	N/R
Godfrey, IL	X	X	N/R	N/R	N/R	N/R	N/R	N/R
Fairless Hills, PA	X	X	N/R	N/R	N/R	N/R	N/R	N/R
Mead Ink Products (Atlanta, GA)	X	X	N/R	N/R	N/R	N/R	N/R	N/R
<u>Mead Release Products</u>								
West Chicago, IL	X	X	N/A	N/A	N/A	N/A	N/A	N/A
<u>Paperboard Products</u>								
Lynchburg, VA	X	X	X	X	--	X	--	X
Cincinnati, OH	X	X	N/R	N/R	N/R	N/R	N/R	N/R
Macon, GA	X	X	N/R	N/R	N/R	N/R	N/R	N/R
Otsego, MI	X	X	N/R	N/R	N/R	N/R	N/R	N/R
<u>Fine Paper</u>								
Chillicothe, OH	X	X	N/A	N/A	N/A	N/A	N/A	N/A

X - Completed

N/R - No static eliminator bars used on-site.

* - NRD, Inc.; 3M; Accuray

N/A - Not applicable, facility accounted for all sources.

mead

World Headquarters
Courthouse Plaza NE
Dayton, Ohio 45463

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CHECK DATE 01/13/88 CHECK NO. 341771

AMOUNT

*****1,500.00

PAY EXACTLY *****1,500 DOLLARS AND 00 CENTS

PAY TO

UNITED STATES, TREASURER

The Mead Corporation

R. W. E. Kelly

TREASURER

Van Horn State Bank
Van Horn, Texas

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⑈96⑈6033 9⑈