



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION III
2443 WARRENVILLE ROAD, SUITE 210
LISLE, ILLINOIS 60532-4352

June 20, 2004

Michael Cammenga
General Manager
Rock-Tenn Company
431 Helen Ave.
Ostego, MI 49078

**SUBJECT: NRC INSPECTION (IR 99990003/2004-002(DNMS)) - ROCK-TENN
COMPANY, SPECIALTY PAPERBOARD DIVISION, OSTEGO, MICHIGAN**

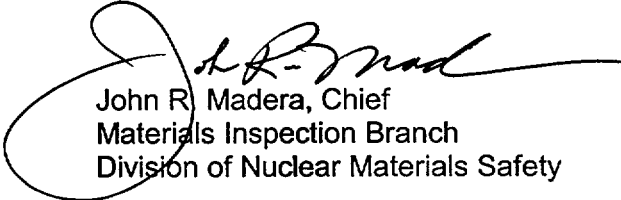
Dear Mr. Cammenga:

As a result of the inspection conducted on June 3, 2004, at your facility in Ostego, Michigan, the enclosed NRC Form 591M, SAFETY INSPECTION REPORT AND COMPLIANCE INSPECTION is issued for a General License under 10 CFR 31.5. You will note that this form indicates that there was one violation identified during the inspection. Specifically, the violation involved the licensee's failure to register the NDC Model 104P backscatter gauges, Serial Numbers 2123 and 5117, each containing 150 millicuries of americium-241 sealed sources. These backscatter gauges were obtained from Plainwell Paper, a plant that was inactive since early 2002.

Please acknowledge receipt of this form by signing and dating the appropriate space. You are requested to retain the original and return a signed and dated copy to this office or you may transmit the signed and dated NRC Form 591M to our regional office by facsimile (Fax No. 630-515-1259).

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). The NRC's document system is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Sincerely,



John R. Madera, Chief
Materials Inspection Branch
Division of Nuclear Materials Safety

Docket No. 99990003
General License 10 CFR 31.5

Enclosure: NRC FORM 591M PART 1

SAFETY INSPECTION REPORT AND COMPLIANCE INSPECTION

1. LICENSEE/LOCATION INSPECTED: Rock-Tenn Company 431 Helen Avenue Ostego, MI 49078		2. NRC/REGIONAL OFFICE U.S. Nuclear Regulatory Commission Region III 2443 Warrenville Road, Suite 210 Lisle, IL 60532-4351	
REPORT 2004-002			
3. DOCKET NUMBER(S) 99990003	4. LICENSEE NUMBER(S) General License 10 CFR 31.5	5. DATE(S) OF INSPECTION 06/03/2004	

LICENSEE:

The inspection was an examination of the activities conducted under your license as they relate to radiation safety and to compliance with the Nuclear Regulatory Commission (NRC) rules and regulations and the conditions of your license. The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector. The inspection findings are as follows:

1. Based on the inspection findings, no violations were identified.
2. Previous violation(s) closed.
3. The violation(s), specifically described to you by the inspector as non-cited violations, are not being cited because they were self-identified, non-repetitive, and corrective action was or is being taken, and the remaining criteria in the NRC Enforcement Policy, NUREG-1600, to exercise discretion, were satisfied.

_____ Non-Cited Violation(s) was/were discussed involving the following requirement(s) and Corrective Action(s):

4. During this inspection certain of your activities, as described below and/or attached, were in violation of NRC requirements and are being cited. This form is a NOTICE OF VIOLATION, which may be subject to posting in accordance with 10 CFR 19.11.

(Violations and Corrective Actions)

Title 10 CFR 31.5(c)(13)(i) requires that any person who acquires, receives, possesses, uses or transfers byproduct material in a device pursuant to a general license shall assure to register in accordance with paragraphs (c)(13)(ii) and (iii) of this section, devices containing at least 37 MBq (1 millicurie) of americium-241 or any other transuranic, based on the activity indicated on the label. Each address for a location of use, as described under paragraph (c)(13)(iii)(D) of this section, represents a separate general license and requires a separate registration and fee.

Contrary to the above, in May 2002, the Rock-Tenn Company located in Ostego, Michigan, a general licensee as described in 10 CFR 31.5(c), purchased two NDC Model 104P Serial Numbers 2123 and 5117, back scatter portable gauges. Each gauge contained 150 millicuries americium-241 sealed sources, and these devices were not registered under paragraph (c)(13)(ii) and (iii) of this section, devices containing at least 37 MBq (1 millicurie) of americium-241 or any other transuranic, based on the activity indicated on the label. Each address for a location of use, as described under paragraph (c)(13)(iii)(D) of this section, represents a separate general license and requires a separate registration fee. As a corrective action, on May 28, 2004, the Rock-Tenn Company, a general licensee had transferred the two gauges to Voith Fabrics Shreveport, Inc., a specific licensee (License No. 17-26958-01).

Licensee's Statement of Corrective Actions for Item 4, above.

I hereby state that, within 30 days, the actions described by me to the inspector will be taken to correct the violations identified. This statement of corrective actions is made in accordance with the requirements of 10 CFR 2.201 (corrective steps already taken, corrective steps which will be taken, date when full compliance will be achieved). I understand that no further written response to NRC will be required, unless specifically requested.

Title	Printed Name	Signature	Date
LICENSEE'S REPRESENTATIVE			
NRC INSPECTOR	Tony Go		6/30/04