UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
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KING OF PRUSSIA, PENNSYLVANIA 19406-1415

September 9, 2005

Doris C. Bryan
Manager, Licensing & Regulatory Affairs
Radiation Technology, Inc.
P.O. Box 27637
Austin, TX 78755

SUBJECT: BSI SOURCE RECOVERY OPERATION

Dear Ms. Bryan:

This refers to your letter dated August 29, 2005 regarding an article posted in the August 2005 South Texas Chapter HPS Publication, "The Billet," about a company known as BSI. BSI was a manufacturer and distributor of gauging devices licensed by the NRC for a variety of sealed sources, including curium-244 and americium-241. In the process of doing business they collected an inventory of radioactive material in the form of sealed sources. NRC regulations do not require that a license of the type issued to BSI, include financial assurance.

In late 2003, BSI notified the NRC that they were experiencing financial hardship. The NRC and Pennsylvania Department of Environmental Protection (PADEP) began to closely monitor the situation. In 2004, when it became clear that BSI did not have the resources to continue to secure their radioactive material, the NRC requested assistance from the Department of Energy (DOE). Under an existing program to protect the health and safety of the public and provide for the common defense and security, DOE hired a contractor to accomplish the safe transport and ultimate disposal of these sources.

Regarding your question about BSI Industries retaining any financial responsibility for the disposal of the radioactive material, BSI was always responsible for the security and disposal of the radioactive material. However, BSI has no assets and is not a functioning company. As a practical matter, they were unable to accomplish the required disposal.

If you have any further questions, please feel free to call me at (610) 337-5252.

Sincerely,

Original signed by John D. Kinneman

John D. Kinneman, Chief
Materials Security and Industrial Branch
Division of Nuclear Materials Safety

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