



May 19, 2009

Docket No. 03031215

License No. 31-28397-01G

Douglas J. Fiegel
President and CEO
NRD, LLC
2937 Alt Boulevard
P.O. Box 310
Grand Island, NY 14072

SUBJECT: REORGANIZATION UNDER CHAPTER 11 IN THE U.S. BANKRUPTCY COURT
– NRD. L.L.C.

Dear Mr. Fiegel:

This acknowledges the bankruptcy filing on April 30, 2009, as evidenced by the "Notice of Commencement of Chapter 11 Bankruptcy Cases and Meeting of Creditors under 11 U.S.C. Section 341" from the United States Bankruptcy Court Southern District of New York dated May 5, 2009. We note that the notification required of NRD, L.L.C. (NRD) by 10 CFR 30.34(h)(1), which requires licensees that are subject of a bankruptcy filing to immediately notify the appropriate NRC Regional Administrator in writing of the filing, was not made. The purpose of the regulation is to ensure that public health and safety is adequately protected and that all licensed material is properly controlled.

Although NRD is involved in bankruptcy proceedings, the NRC license continues to remain in full effect (and beyond its stated expiration date) until terminated in writing by the NRC. If the licensee no longer exists as an entity, the person with legal control of the license must request termination of the license. Since the license does not authorize the possession or use of licensed material, the decontamination and decommissioning of facilities and equipment will be performed under your Agreement State license.

The bankruptcy filing does not relieve NRD of its responsibilities to comply with NRC requirements. NRC regulation in 10 CFR 30.34(b) requires that the licensee request and receive written consent of the NRC prior to transferring the license to another entity.

You should ensure that your legal staff and any trustee involved in the bankruptcy proceedings are aware of these obligations and the related NRC or applicable Agreement State requirements. Pursuant to Section 184 of the Atomic Energy Act, a reorganized entity emerging from Chapter 11 bankruptcy is required to receive written NRC approval prior to its assumption of control over licensed activities.

D. Fiegel

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Please notify this office immediately, in writing if you are unable to meet any of these requirements or conditions. Also, please notify the NRC or appropriate Agreement State regulatory office: (1) of any changes to your licensed activities that the bankruptcy court may require, (2) when the bankruptcy proceeding is completed, and (3) when NRD emerges out of bankruptcy.

The regulations cited above require each licensee to provide the required notification, therefore we request your assistance in providing us the names, addresses and telephone numbers of any other entities that may be affected by the bankruptcy, i.e., other daughter companies of a bankrupt parent company, where the daughter has an NRC or Agreement State license.

We will continue to monitor your activities to ensure that either the company is able to exit bankruptcy and operate normally or that the licensee initiates the process to terminate the license.

Should you have any questions regarding this matter, please contact Steven Courtemanche of my staff at (610) 337-5075. Thank you for your cooperation.

Sincerely,

Original signed by James P. Dwyer

James P. Dwyer, Chief
Commercial and R&D Branch
Division of Nuclear Materials Safety

cc:

Douglas M. Davis, Radiation Safety Officer
Stephen Gavitt, CHP, Director

D. Fiegel

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Douglas M. Davis, Radiation Safety Officer
Stephen Gavitt, CHP, Director

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