



UNITED STATES  
**NUCLEAR REGULATORY COMMISSION**

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

**TELEFAX TRANSMITTAL**

DATE May 22, 2014

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SEND TO Alfred Giuliano - Chapter 7 Trustee- Lakeshore Toltest Corporation  
(LTC), NRC License 34-35052-01

LOCATION West Berlin, NJ

FAX NUMBER (856) 767-3500

VERIFY BY CALLING

FROM: Bill Reichhold  
(Sender)

TELEPHONE NUMBER (630) 829-9839

FAX NUMBER (630) 515-1078

If you do not receive the complete fax transmittal, please contact the sender as soon as possible at the telephone number provided above.

MESSAGE See accompanying documents.

**NOTICE**

This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential, or exempt from disclosure under applicable law. If the reader of this message is not the intended recipient or the employee responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you received this communication in error, please notify the sender immediately by telephone and return the original to the above address, by U.S. Mail. Thank You.

It has come to our attention that Lakeshore Toltest Corporation (LTC), (Lakeshore) as filed for bankruptcy protection. NRC requirements for licensees that are the subject of a bankruptcy filing can be found in 10 CFR (U.S. Code of Federal Regulations) 30.34(h). The purpose of the regulations is to ensure that public health and safety and the environment are adequately protected and that radioactive material is properly controlled. (Please see accompanying copy of 30.34 (h)).

As Trustee, please be advised you need to make sure that the radioactive materials authorized on Lakeshore's specific NRC license (NRC License 34-35052-01) and radioactive materials obtained under a general license must be controlled; (1) to prevent removal of the radioactive materials by unauthorized individuals, (2) to prevent access to radioactive materials by unauthorized individuals and (3) that the radioactive materials are in secure storage at this time. Also, make sure you comply with applicable NRC requirements.

Lakeshore's specific NRC license (NRC License 34-35052-01) authorizes radium-266 as a sealed source, not to exceed 5.5 millicuries per source, for use in Seamen Nuclear Corporation Model Nos. C-200 and C-300 portable gauging devices (moisture/density gauges). The last NRC inspection on January 2014, indicated that Lakeshore had two, Seamen Nuclear Corporation moisture/density gauges in storage at Lakeshore's offices located at 385 Midland, Highland Park, Michigan. A copy of the Lakeshore's NRC specific license can be found electronically in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Our records indicate that Lakeshore also has the following generally licensed devices:

1. Niton Corporation, Model XLP Series X-ray analyzer containing a nominal 4.5 microcuries of americium-241 as a sealed source, and
2. Niton Corporation, Model XLP Series X-ray analyzer containing a nominal 40 millicuries of cadmium-109 as a sealed source.

From our telephone discussion yesterday 21 May 2014, it is our understanding that you are attempting to contact the individual(s) responsible for the radioactive materials and/or devices containing radioactive materials at Lakeshore.

Please provide the following additional information:

1. Please identify what radioactive materials and/or devices containing radioactive materials are possessed at this time.
2. Please indicate if you plan to dispose and or transfer any radioactive materials and/or devices containing radioactive materials during bankruptcy proceedings.
3. For each of the radioactive materials and/or devices containing radioactive materials identified above, please specify if the radioactive materials and/or devices containing radioactive materials are in use or in secured storage at this time.
4. Please indicate if there has been in changes in the Radiation Safety Officer or authorized user(s) for the radioactive materials and/or devices containing radioactive materials.
5. Please specify any other affiliated companies that may also have radionuclides that require an NRC license. If so what radionuclides do they possess and specify the license number and location of the company.
6. Please specify who will be the contact person and at what frequency will they update the NRC concerning any changes in the status of the radionuclides during the bankruptcy proceedings. Please make sure you immediately contact the NRC of any change in status of use, security and/or storage of the radionuclides and any change in the individual(s) responsible for the radionuclides.

Please call me at 630-829-9839 if you have any questions.

*In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this facsimile and the attached documents 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).*

From the desk of:

  
Bill Reichhold

## 30.34 Terms and conditions of licenses

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(a) Each license issued pursuant to the regulations in this part and the regulations in parts 31 through 36 and 39 of this chapter shall be subject to all the provisions of the Act, now or hereafter in effect, and to all valid rules, regulations and orders of the Commission.

(b)(1) No license issued or granted pursuant to the regulations in this part and parts 31 through 36, and 39 nor any right under a license shall be transferred, assigned or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of any license to any person, unless the Commission shall, after securing full information, find that the transfer is in accordance with the provisions of the Act and shall give its consent in writing.

(2) An application for transfer of license must include:

(i) The identity, technical and financial qualifications of the proposed transferee; and

(ii) Financial assurance for decommissioning information required by § 30.35.

(c) Each person licensed by the Commission pursuant to the regulations in this part and parts 31 through 36 and 39 shall confine his possession and use of the byproduct material to the locations and purposes authorized in the license. Except as otherwise provided in the license, a license issued pursuant to the regulations in this part and parts 31 through 36 and 39 of this chapter shall carry with it the right to receive, acquire, own, and possess byproduct material. Preparation for shipment and transport of byproduct material shall be in accordance with the provisions of part 71 of this chapter.

(d) Each license issued pursuant to the regulations in this part and parts 31 through 36 and 39 shall be deemed to contain the provisions set forth in section 183b.- d., inclusive, of the Act, whether or not these provisions are expressly set forth in the license.

(e) The Commission may incorporate, in any license issued pursuant to the regulations in this part and parts 31 through 36 and 39, at the time of issuance, or thereafter by appropriate rule, regulation or order, such additional requirements and conditions with respect to the licensee's receipt, possession, use and transfer of byproduct material as it deems appropriate or necessary in order to:

(1) Promote the common defense and security;

(2) Protect health or to minimize danger to life or property;

(3) Protect restricted data;

(4) Require such reports and the keeping of such records, and to provide for such inspections of activities under the license as may be necessary or appropriate to effectuate the purposes of the Act and regulations thereunder.

(f) Licensees required to submit emergency plans by § 30.32(i) shall follow the emergency plan approved by the Commission. The licensee may change the approved without Commission approval only if the changes do not decrease the effectiveness of the plan. The licensee shall furnish the change to the appropriate NRC Regional Office specified in § 30.6 and to affected offsite response organizations within six months after the change is made. Proposed changes that decrease, or potentially decrease, the effectiveness of the approved emergency plan may not be implemented without prior application to and prior approval by the Commission.

(g) Each licensee preparing technetium-99m radiopharmaceuticals from molybdenum-99/technetium-99m generators or rubidium-82 from strontium-82/rubidium-82 generators shall test the generator eluates for molybdenum-99 breakthrough or strontium-82 and strontium-85 contamination, respectively, in accordance with § 35.204 of this chapter. The licensee shall record the results of each test and retain each record for 3 years after the record is made.

→ (h)(1) Each general licensee that is required to register by § 31.5(c)(13) of this chapter and each specific licensee shall notify the appropriate NRC Regional Administrator, in writing, immediately following the filing of a voluntary or involuntary petition for bankruptcy under any chapter of title 11 (Bankruptcy) of the United States Code by or against:

(i) The licensee;

(ii) An entity (as that term is defined in 11 U.S.C. 101(15)) controlling the licensee or listing the license or licensee as property of the estate; or

(iii) An affiliate (as that term is defined in 11 U.S.C. 101(2)) of the licensee.

(2) This notification must indicate:

(i) The bankruptcy court in which the petition for bankruptcy was filed; and

(ii) The date of the filing of the petition.

→ (i) Security requirements for portable gauges.

→ Each portable gauge licensee shall use a minimum of two independent physical controls that form tangible barriers to secure portable gauges from unauthorized removal, whenever portable gauges are not under the control and constant surveillance of the licensee.

(j)(1) Authorization under § 30.32(j) to produce Positron Emission Tomography (PET) radioactive drugs for noncommercial transfer to medical use licensees in its consortium does not relieve the licensee from complying with applicable FDA, other Federal, and State requirements governing radioactive drugs.

(2) Each licensee authorized under § 30.32(j) to produce PET radioactive drugs for noncommercial transfer to medical use licensees in its consortium shall:

(i) Satisfy the labeling requirements in § 32.72(a)(4) of this chapter for each PET radioactive drug transport radiation shield and each syringe, vial, or other container used to hold a PET radioactive drug intended for noncommercial distribution to members of its consortium.

(ii) Possess and use instrumentation to measure the radioactivity of the PET radioactive drugs intended for noncommercial distribution to members of its consortium and meet the procedural, radioactivity measurement, instrument test, instrument check, and instrument adjustment requirements in § 32.72(c) of this chapter.

(3) A licensee that is a pharmacy authorized under § 30.32(j) to produce PET radioactive drugs for noncommercial transfer to medical use licensees in its consortium shall require that any individual that prepares PET radioactive drugs shall be:

(i) an authorized nuclear pharmacist that meets the requirements in § 32.72(b)(2) of this chapter, or

(ii) an individual under the supervision of an authorized nuclear pharmacist as specified in § 35.27 of this chapter.

(4) A pharmacy, authorized under § 30.32(j) to produce PET radioactive drugs for noncommercial transfer to medical use licensees in its consortium that allows an individual to work as an authorized nuclear pharmacist, shall meet the requirements of § 32.72(b)(5) of this chapter.

(k) As required by the Additional Protocol, each specific licensee authorized to possess and use byproduct material shall file with the Commission location information described in § 75.11 of this chapter on DOC/NRC Forms AP-1 and associated forms. The licensee shall also permit verification of this information by the International Atomic Energy Agency (IAEA) and shall take other action as may be necessary to implement the US/IAEA Safeguards Agreement, as described in part 75 of this chapter.

(l) Each licensee shall ensure that Safeguards Information is protected against unauthorized disclosure in accordance with the requirements in §§ 73.21 and 73.23 of this chapter, as applicable.

[30 FR 8185, June 26, 1965, as amended at 38 FR 33969, Dec. 10, 1973; 43 FR 6922, Feb. 17, 1978; 48 FR 32328, July 15, 1983; 52 FR 1295, Jan. 12, 1987; 52 FR 8241, Mar. 17, 1987; 53 FR 19245, May 27, 1988; 53 FR 23383, June 22, 1988; 54 FR 14061, Apr. 7, 1989; 58 FR 7736, Feb. 9, 1993; 59 FR 61780, Dec. 2, 1994; 65 FR 79187, Dec. 18, 2000; 70 FR 2009, Jan. 12, 2005; 72 FR 55926, Oct. 1, 2007; 73 FR 78604, Dec. 23, 2008; 74 FR 7785, Feb. 20, 2009; 76 FR 35564, Jun. 17, 2011; 77 FR 39905, Jul. 6, 2012]