

DEC 12 1989

Docket No. 9999-001

Non-Licensee

Perkins-Thompson-Hinkley and Keddy
ATTN: Andrew Cadot, Esquire
1 Canal Plaza
P.O. Box 426
Portland, Maine 04112

Re: St. Raymond Corporation

Gentlemen:

Subject: Notice of Violation (NRC Inspection Report No. 9999-001)

This refers to the routine safety inspection conducted by Mr. Tom Thompson of this office on October 12, 1989 at the Pejepscot Mill in Pejepscot Village, Maine and to the discussions of our findings held by Mr. Thompson with Horton Girdler at the conclusion of the inspection.

As a result of this inspection, a failure to comply with NRC regulatory requirements by your client, St. Raymond Corporation, was identified. The violation, which is described in the enclosed Notice of Violation (Notice), involves the possession by St. Raymond Corporation of byproduct material consisting of a Kay Ray nuclear gauge containing 10 millicuries of cesium-137 without a valid license issued by the NRC. Such unauthorized possession of byproduct material is a violation of Section 81 of the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2111, and is of significant regulatory concern.

In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1989), the violation described in the enclosed Notice has been classified at a Severity Level IV. Normally, this violation would be classified at a Severity Level III. However, St. Raymond Corporation has cooperated with the NRC in maintaining the gauge in an appropriately shuttered and stored condition and maintaining a 24-hour watch over the site, including the plant in which the gauge is being stored. Consequently, the NRC has determined that the gauge does not present a threat to public health and safety. Furthermore, although ordinarily we would require that St. Raymond Corporation immediately submit an application to the NRC for a specific license authorizing the possession and storage of the gauge containing the 10 millicurie cesium-137 source, it is our understanding that a foreclosure sale of the assets of St. Raymond Corporation was held on October 11, 1989, and that St. Raymond Corporation is awaiting the closing of the sale, at which time another entity will take control of its assets, including the gauge. As it appears that St. Raymond Corporation will only continue to be in possession of the gauge for a limited time, the gauge has been appropriately shuttered and stored, and St. Raymond is currently maintaining a 24-hour watch over the site, further action on the part of St. Raymond to obtain an NRC license is not required.

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As we are in receipt of your letter dated November 15, 1989, in which you have verified that the gauge containing cesium-137 remains in the possession of St. Raymond, and in which you have committed that St. Raymond will maintain a 24-hour watch staff to monitor the site until the closing of the foreclosure sale, at which time the NRC will be notified of the change in control, no further response to this Notice of Violation is required.

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 will be placed in the Public Document Room.

Sincerely,

Original Signed By:
Lee H. Bettenhausen

Lee H. Bettenhausen, Chief
Nuclear Materials Safety Branch
Division of Radiation Safety
and Safeguards

Enclosure:
Notice of Violation

cc w/encl:
Public Document Room (PDR)
Nuclear Safety Information Center (NSIC)
State of Maine

Verrill and Dana
ATTN: David Hillman
One Portland Square
P.O. Box 586
Portland, Maine 04112-0586

bcc w/encl:
Region I Docket Room (w/concurrences)
Management Assistant, DRMA
Senior Operations Officer (w/o encl)
John J. Miller
Tom Thompson
Lee Bettenhausen
Steve Lewis, OGC
Karla Smith, RI

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RETURN ORIGINAL TO
REGION I

IE:07

RI:DRSS Thompson/bj 12/1/89
RI:DRSS Miller 12/5/89
RI:DRSS Bettenhausen 12/7/89

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