

IE-0710
PUBLIC

FEB 18 1994

Grand Metropolitan
Food Sector
ATTN: James Behnke, Senior
Vice President, Technology
U.S. Technology Center
M.S. 9421
330 University Avenue, S.E.
Minneapolis, MN 55414

License No. 22-20484-01
Docket No. 030-18433

Dear Mr. Behnke:

SUBJECT: NOTICE OF VIOLATION DATED DECEMBER 23, 1993

This acknowledges receipt of your letter dated January 17, 1994, in response to our letter dated December 23, 1993, transmitting a Notice of Violation.

We have reviewed your explanation of the change of ownership issue, and we disagree with your conclusion. We recognize that The Pillsbury Company remains a legal corporation. However, 10 CFR Section 30.34(b) states that "no NRC license 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 Atomic Energy Act of 1954 and shall give its consent in writing."

In your letter, you state that "In January, 1989, Grand Metropolitan PLC, a British company, purchased all shares of The Pillsbury Company from other shareholders at that time." We believe that this constituted an indirect transfer of control of your NRC license to Grand Metropolitan since Grand Metropolitan acquired a controlling interest in The Pillsbury Company. Thus, notification to the NRC was required.

As we stated in our last letter, the NRC may consider that a violation of this requirement warrants escalated enforcement action, including civil penalties and orders. In your particular case, escalated enforcement action was not warranted since the Research and Development management and radiation safety structure did not change as a result of the change of ownership.

Therefore, as directed in our last letter, please submit a written statement or explanation of this violation to the NRC within 30 days of the date of this letter. Please include: (1) the reason for the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved.

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Regarding the annual calibration of your survey meter, we have reviewed your corrective actions, which appear to be adequate, and have no further questions at this time. These corrective actions will be examined during a future inspection.

In accordance with 10 CFR 2.790 of the Commission's regulations, a copy of this letter and your response to this letter will be placed in the NRC Public Document Room.

The response directed by this letter is not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

We will gladly discuss any questions you have concerning this matter.

Sincerely,

Original Signed by Roy J. Caniano

Roy J. Caniano, Chief
Nuclear Materials Safety Branch

cc: PUBLIC

RIII
Weber/bt
02/11/94

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Grobe
2/16

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Berson
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DeFayette
2/16/94

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