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MASSACHUSETTS MATERIALS RESEARCH, INC.

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September 27, 1985  
DOCKETING & SERVICE  
BRANCH

Secretary of the Commission  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555

Attention: Docketing and Service Branch

Gentlemen:

This letter is our response to your ADVANCE NOTICE OF PROPOSED RULE MAKING ON FINANCIAL RESPONSIBILITY OF CLEAN UP OF ACCIDENTAL RELEASES OF CERTAIN MATERIALS. Your notice appeared in the Federal Register, Volume 50, Number 110, on Friday June 7, 1985.

We hold two licenses for use of radioactive isotopes for field radiography. They are numbers 07-01173-03 issued to Lehigh Testing Laboratories, Inc., of Wilimington, Delaware and 20-1913-0, Docket #30-17013, issued to Massachusetts Materials Research, Inc. I am president of both companies.

We use iridium 192 isotopes for field radiography of welds at construction sites. These are welds primarily in oil refineries, chemical plants, and tank fabrication shops. We also use isotopes within our own laboratories.

We have consulted the insurers of each of our laboratories and have examined our own financial resources in order to prepare this response.

The insurer of Lehigh Testing Laboratories, Maryland Casualty Company, has stated that we do not have insurance to cover the accidental release of radioactive material. This company has also told us such insurance will not be available to us.

The insurer of Massachusetts Materials Research, Aetna Casualty Company, has told us we currently have coverage to \$300,000 maximum for sudden and accidental incidents, but not when negligence is involved. They will not insure us for more than \$300,000 at this time. Effective January 1, 1986, Aetna will be offering a separate policy for this type of insurance, but will not tell us at this time the type of insurance that will be available, the limits that will be available. and the cost.

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Acknowledged by card.....

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all Mary Jo Sumner, 62355  
Wm Elmsted, 9604 MNBBS

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Summarizing the insurance situation, it appears that insurance against accidental releases of radioactive materials might be available to us, but there is no guarantee that such insurance will be available nor is there a guarantee that it will be affordable within the context of the economics of our industry.

If we are required to put aside a sum of money equal to an estimated cost of a cleanup, we simply will not be able to do so. We have 60 employees, a net worth of \$850,000 and our annual sales are only slightly higher than the \$2,000,000 base-line mentioned.

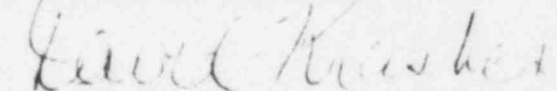
If the NRC promulgates a financial responsibility rule that involves a licensee making a large security deposit or purchasing an expensive insurance policy, the result will probably be to drive many small licensees who perform field radiography of construction welds out of business. Or, as an alternative, the cost of the inspection service may add so much to the cost of the product, that once again the cost of American products will be driven upward.

We suggest that licensees for the use iridium 192, for the purpose of radiography of welds and other metal products, be exempt from the requirement for financial responsibility in the event of accidental leakage. This type of situation rarely occurs. When it does, the financial magnitude is not great.

We will be happy to answer any questions about specific details of our business, insurance, or financial obligations.

Very truly yours,

MASSACHUSETTS MATERIALS RESEARCH, INC.



David Krashes  
President

DK/cb