



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PA 19406-1415

January 24, 2001

George E. Karsnak
President
Design Fuels Corporation
2605 O'Neil Boulevard
McKeesport, PA 15132

SUBJECT: TWO TN TECHNOLOGIES MODEL 5191 GAUGES

Dear Mr. Karsnak:

This refers to the TN Technologies Model 5191 gauge (serial number B1806) which was discovered in Alabama on November 3, 2000. Based on telephone conversations between you and Ms. Kathy Modes, of this office, we understand that this gauge belongs to you. You bought this gauge and other equipment from the now defunct Tailings Process Corporation. You indicated that you bought all the equipment from the Nemacolin, Pennsylvania site and moved it down to Alabama in the early 1990s.

The State of Alabama has secured the gauge awaiting your actions. In accordance with 10 CFR 31.5(c)(9)(i), this gauge is no longer allowed to be generally licensed because it has been moved from its original location in Nemacolin, Pennsylvania. As such, you must apply for a NRC specific license. In December 2000, Ms. Modes sent you a package of material to aid you in requesting an NRC license. To date we have not received your application. If you do not wish to license the gauge, you must transfer the gauge back to the manufacturer or a person specifically licensed to possess the gauge. Please inform us as to what actions you intend to take to secure the gauge and ensure that it gets into the possession of a person authorized to possess it.

Based on bankruptcy records and your conversations, we understand that there is a second gauge still missing. This missing gauge is a TN Technologies Model 5191 gauge containing 2 curies of cesium-137 (serial number B1808). Based on a letter from you to Tom Bryan of K-Lee Processing dated January 21, 1992, this second gauge was also in your possession. Please provide us with your actions, planned and taken, to find this missing gauge. We understand that you are pursuing this matter via litigation, but we need your written assurance that you are diligently searching for the lost and missing radioactive material that once was in your possession. As the rightful owner of this radioactive source, it is imperative that you take immediate corrective actions to find this missing gauge. Please inform us in writing as to what actions you are taking in this matter.

G. Karsnak
Design Fuels Corporation

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Thank you for your cooperation.

Sincerely,

Original signed by Elizabeth Ullrich

John D. Kinneman
Branch Chief
Nuclear Materials Safety Branch 2
Division of Nuclear Materials Safety

Enclosure:
10 CFR 31

cc:
David Walter, State of Alabama

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