

LTV Steel Company

CLEVELAND WORKS

July 11, 2001

Frank Costello, Deputy Director
Nuclear Materials Safety Branch
Nuclear Regulatory Commission
Region 1
475 Allendale Road
King of Prussia, Pa. 19406-1415

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Dear Mr. Costello:

This letter will confirm our conference call of July 11, 2001 relating to a Cesium source Cs 137 device (the "Device"), which you represent is currently located at K-Lee Processing in Hueyhowan, Alabama. Based upon our discussion, LTV Steel Company Inc. ("LTV Steel") hereby agrees to arrange for the appropriate disposal of the Device; provided, however, that such agreement and any action taken to dispose of the Device do not constitute an admission of liability. Per our discussion, LTV Steel's agreement, as set forth herein, closes the matter regarding the Device and any other similar Cesium source device lost by Design Fuels Corporation (collectively, the "Lost Devices") and hereby releases LTV Steel from any liability with respect to the Lost Devices and you hereby agree to waive any rights and/or causes of action you may have against LTV Steel relating to the Lost Devices, including, but not limited to any subsequent legal or enforcement actions associated with the Lost Devices.

If you do not concur with this agreement, as set forth herein, please contact me immediately. If you do agree, please execute one of the duplicate originals of this letter and return to me.

After I receive the signed letter agreement, I will contact Mr. David Walter of the State of Alabama to arrange for the ultimate disposal of the Device and will provide Ms. Cathy Modes with current status reports.

Frank Costello, Deputy Director
Nuclear Materials Safety Branch
Nuclear Regulatory Commission


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LTV Steel Company

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