



2003 NOV -3 PM 1:00 October 29, 2003

George Pangburn
U.S. Nuclear Regulatory Commission
Region I
475 Allendale Road
King of Prussia, PA 19406-1415

RE: NRC Inspection Report No. 999-90002/03-04

Dear Mr. Pangburn,

Per the October 29, 2003 conversation between myself and Mr. Joseph Nick of your office, please accept this letter in response to the inspection report from Mr. Thomas Decker dated October 15, 2003 relating to the event reported to the U.S. Nuclear Regulatory Commission's (NRC) Operations Center by ABB Inc. (ABB) on September 11, 2003. ABB has reviewed the inspection report and agrees with facts of the case as presented in the report. I would also like to take this opportunity to review ABB's corrective actions, request relief of possible civil penalty, and provide a management contact name.

Corrective Actions

Please note that in order to assure that this type of event will not occur again, ABB has implemented several corrective actions as identified in our letter dated October 7, 2003. Specifically we have committed to a thorough review requiring specific information for all non-ABB devices with which we provide services, we have revised our source processing policy to assure a more timely identification of discrepancies or problems with the sources received, and we are in the process of reviewing all of our policies and procedures to assure that any source handling services are completed in a manner to minimize the risk of loss of control of radioactive materials.

Regarding the specific Advanz gauge involved in the event, ABB has obtained detailed source drawings to clearly identify the location of the source capsule and the hardware utilized to secure the source capsule in place. We have also discussed the issue and design with the current manufacturer of this equipment. The specific information obtained from the manufacturer along with the knowledge gained from working through this incident will be included in instructions and procedures for any future services provided by ABB involving the Advanz devices. Other services on non-ABB equipment will be addressed in a similar manner, on a case-by-case basis, assuring that adequate information is obtained on the device, commiserate with the service being provided.

ABB Inc.

NMSS/RGNI MATERIALS-004

Mitigation

As stated in the NRC's Enforcement Policy, it is understood that the NRC will typically issue a civil penalty for violations involving the loss of licensed materials. ABB requests relief from this policy be made in this particular case due to the unique nature of the events. Specifically, device design was one of the cited root causes, ABB has an exemplary history with the US NRC and the State of Ohio regarding all licensed activities, and that ABB has completed all follow-up activities and implemented corrective actions in a swift and decisive fashion to assure safety of all persons involved.

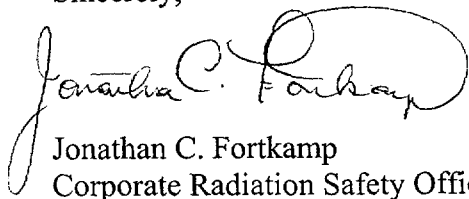
If a civil penalty is assessed, the Enforcement Policy states that the amount of the penalty would be assessed based on three times the cost to properly disposition a source of the type and activity involved in the loss. Assuming a Severity Level III violation, the amount is listed as \$7,500 for the source in question. Please note that ABB's cost to disposition a 78 mCi Sr-90 source capsule would be approximately \$260.00, based on a current quote from our disposition service provider.

Management Contact

ABB has been requested to provide a management contact to whom any correspondence regarding this incident can be directed. You may direct correspondence to the attention of Mr. Steven Sturm, Director of Measurement Technology, ABB Inc., 650 Ackerman Road, Columbus, Ohio 43202. However, I request that I be copied on any correspondence and that I be contacted directly for any routine questions or inquiries.

Please let me know if you have any questions regarding the above information or the missing source event in general. I can be contacted via phone at 614-261-2337 or via email at jonathan.fortkamp@us.abb.com.

Sincerely,



Jonathan C. Fortkamp
Corporate Radiation Safety Officer

cc: Joseph Nick, NRC Region I
Tom Decker, NRC Region I
Bryan Parker, NRC Region I
Steven Sturm, ABB Inc.