FIELD SERVICE REPORT

Introduction

On Thursday, March 15th, 2007, Applied Health Physics, Inc. (AHP) was contacted by Kantner Iron & Steel, Inc. (KIS) with a request for radiological services at their scrap yard in Kantner, PA. As understood from conversations, Kantner Iron & Steel, Inc. recently had a shipment of scrap metal for recycle get rejected at a steel mill due to alarming the scrap detection system. The load was rejected and returned to Kantner Iron & Steel, Inc. Kantner Iron & Steel, Inc. contacted the Pennsylvania Department of Environmental Protection (PA DEP) for further guidance. PA DEP Radioactive Materials Section Chief, Dwight Shearer, P.E. provided guidance as well as gamma spectroscopy analysis and identified the isotope as Cs-137 and a maximum radiation level of 8 mR/h was measured at the outside of the container. Kantner Iron & Steel requested that Applied Health Physics, Inc. visit the facility to provide consulting services.

Scope

On Friday, March 16th, 2007, Applied Health Physics, Inc. representatives, Anthony Hull and Keith Mobley visited the Kantner, PA facility. The AHP representatives met with Kantner Iron & Steel representative John Toth and PA DEP Materials Section Chief, Dwight Shearer, P.E. At the time of the visit, the device had been removed from the container by a magnetic crane and placed in an adjacent area. Applied Health Physics, Inc. technicians provided the following radiological services:

- Contamination surveys
- Radiation surveys
- Leak testing
- Identification of manufacturer, model and serial number
- Verification of isotope and activity
- Proper shielding of the device
- Placement into secure storage
Instrumentation

Applied Health Physics, Inc. utilized radiological instrumentation that is recognized as standard in the nuclear industry for assessments of this type. AHP’s portable field service meters are calibrated semi-annually to ensure accuracy. Equipment utilized for the radiological assessment at Kantner Iron & Steel, Inc. during included the following:

<table>
<thead>
<tr>
<th>Manufacturer / Model</th>
<th>Serial Number</th>
<th>Calibration Due</th>
<th>Background</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bicron Analyst</td>
<td>A002A</td>
<td>5/7/07</td>
<td>60 CPM</td>
</tr>
<tr>
<td>Bicron Surveyor 2000</td>
<td>B559Q</td>
<td>3/29/07</td>
<td>0.02 mR/h</td>
</tr>
</tbody>
</table>

Background Determination

In order to identify the potential presence of radioactive materials in suspect material it is necessary to determine levels of radioactivity caused by background radiation. Background radiation is defined as the measured levels of radiation as contributed from naturally occurring radioactive materials (NORM). Levels of background radiation vary from site to site, dependent upon the abundance of naturally occurring sources contained within the environment (sun, concrete, sand). The AHP representative established mean background radiation levels in an unaffected area, similar to where the suspect material was offloaded. The results of a series of background tests were documented and compared to suspect material emissions.

Results

Visual identification of the device proved the following:

<table>
<thead>
<tr>
<th>Manufacturer</th>
<th>Model</th>
<th>Serial #</th>
<th>Isotope</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas Nuclear</td>
<td>5191</td>
<td>B927</td>
<td>Cs-137</td>
<td>200 mCi</td>
</tr>
</tbody>
</table>

Applied Health Physics, Inc. representative Anthony Hull contacted Thermo Electron Corporation Radiation Safety Officer Mike Fontenot and discussed the scenario. Mr. Fontenot was able to identify the company that purchased the device as:

RAPCO, Inc.
Route 14
Moreland Drive
Kingsport, TN 37664
Health Risk From Radiation Exposure To Suspect Material

The results of the radiological screening of the device identified gamma radiation levels in excess of limits for members of the general public. According to Kantner Iron & Steel representatives, the container and the device after removal had been isolated and workers were not in close proximity at any time. The AHP representative determined that radiation levels associated with the device would not constitute a health hazard to employees from ionizing radiation.

USNRC Notification

PADEP notified the United States Nuclear Regulatory Commission (USNRC) of the incident. On Monday, March 19th, 2007, Sattar Lodhi, Ph.D., Health Physicist with the USNRC contacted Anthony Hull in regards to the incident and provided instruction on filing an Event Notification. Following the discussion, the Event Notification was completed through the USNRC Operations Center representative Bill Huffman. The USNRC issued Event Notification Report # 43248.

Disposition of Recovered Source

The device currently located in secure storage at the Kantner Iron & Steel, Inc. Yard Location will remain in storage while the USNRC investigates and attempts to locate the owner. In the event that the owner cannot be found or is no longer in business, the responsibility may fall on Kantner Iron & Steel, Inc. to properly dispose of the device.

Recommendations

Applied Health Physics, Inc. recommends the following:

1) Forward a copy of this report to the PADEP for review.
2) Retain a copy of this report for future reference.
3) Continue to use professional consulting services for issues dealing with radiation safety.

If there are any questions in regards to this report please contact the Applied Health Physics, Inc. office at (412)-835-9555.

Report completed by:

Anthony Hull
Technical Specialist
Applied Health Physics, Inc.
Attachment 1
Applied Health Physics, Inc.
2986 Industrial Blvd., Bethel Park, Pa 15102 Phone: (412) 835-9555 Fax: (412) 835-9559

Radiation Survey Data

Kanther Iron & Steel, Inc.
365 Bassett Road
Hooversville PA 15936

Contact: John Toth
Contact Phone: (814) 893-5668
Contact Fax: (814) 893-5399

Device Information

Device Serial Number: B927
Device Manufacturer: Texas Nuclear
Device Model: 5191
Device Type: Gauge
Location: Secure Storage
Make:

Source Serial Number:
Source Manufacturer:
Source Model:

Radioisotope: Cs-137
Activity: 200 mCi

Radiation Survey Results

Surveyor: A. Hull
Background: 0.02 mR/hr

Date of survey: 3/16/2007
Shutter position: Open

Surface of shutter: 400 mR/h
30 cm from shutter: 200 mR/h
1 meter from shutter: 30 mR/h

Surface of shielding: 25 mR/h
30 cm from shielding: 2 mR/h
1 meter from shielding: 0.4 mR/h

Are radiation levels normal? Yes

Is shutter mechanism operating properly? N/A

Comments: This is a factory designed "shutterless" device. Placed lead shielding over beam prior to placement into secure storage. Survey of storage area was less than 0.1 mR/h on contact.

Survey Instrument Information

Serial Number: B559Q
Model: Surveyor 2000

Manufacturer: Bicron
Calibration due date: 03/29/07

This form may not be reproduced except in full, without the written approval of Applied Health Physics, Inc. This survey is an essential record and should be maintained for inspection by the regulatory agency.
Mark V Leak Test Certificate

This certificate shall not be reproduced except in full, without the written approval of Applied Health Physics, Inc.

Device Information

Device Serial Number: B927
Device Manufacturer: Texas Nuclear
Device Model: 5191
Device Type: Gauge
Radioisotope: Cs-137

Source Serial Number:
Source Manufacturer:
Source Model:
Make:
Activity: 200 mCi

Leak Test Information

Leak Test Performed by: Anthony Hull
Leak Test Specimen Number: KIS-031607-1
Leak Test Analysis Performed by: A. Hull
Leak Test Results Indicate an Activity of: < 0.005 uCi

Leak Test Performed on: 3/16/2007
Leak Test Analysis Date: 3/17/2007

Notification

The analysis of this leak test sample was provided by Applied Health Physics, Inc. U.S. Nuclear Regulatory Commission License Number 37-09135 and State License Number PA-0228. In the event this specimen indicates leakage and/or contamination in excess of 0.005 microcuries, Applied Health Physics, Inc. will notify you promptly by telephone; at such time you will need to take the appropriate actions required by the governing regulatory agency. Applied Health Physics, Inc. is required by our license to report leakage and/or contamination in excess of 0.005 microcuries.

Client Information

Kanter Iron & Steel, Inc.
365 Bassett Road
Hooversville, PA 15936

Contact: John Toth
Phone: (814) 893-5668
Fax: (814) 893-5399

This certificate is an essential record and should be maintained for inspection by the regulatory agency.

Next LT Due 3/16/2008