



~~Official Use Only - Security-Related Information~~

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
2443 WARRENVILLE ROAD, SUITE 210
LISLE, ILLINOIS 60532-4352

AUG 11 2010

Peter Auksel
Radiation Safety Officer
U. S. Steel Corporation
1 North Broadway
MS 91E-2
Gary, IN 46402

Dear Mr. Auksel:

Enclosed is Amendment No. 14 to your NRC Material License No. 13-07964-07 in accordance with your request. Please note that the changes made to your license are printed in **bold** font.

Please review the enclosed document carefully and be sure that you understand all conditions. If there are any errors or questions, please notify the U.S. Nuclear Regulatory Commission, Region III office at (630) 829-9887 so that we can provide appropriate corrections and answers.

This also refers to the telephone conversation between you and my associate, Colleen Carol Casey, on August 11, 2010, concerning certain authorizations and information provided to us about your license.

As discussed with Ms. Casey, please provide a written response to the following within 30 days of the date of this letter. Please reference your response as "additional information to control number 319071" and mark it to my attention, Michael G. Herr, CHP, to facilitate processing in our office.

1. In your letter dated July 16, 2010, you submitted a copy of your sealed source inventory for what appeared to be all sources authorized and possessed under this license.

However, this inventory was dated August 20, 2009, eleven months prior to the date of its submission to us. According to Condition No. 15 of your license, a physical inventory of all of your sealed sources is required to be performed every six months. Please submit a current copy of the inventory of all of the sealed sources possessed under this license.

2. Your inventory dated August 20, 2009, did not include the sealed sources authorized in Subitem Nos. 6, 7, 8, and 9 B. and C., inclusive. In the telephone discussion between you and Ms. Casey on August 11, 2010, you stated that you

The enclosed document contains sensitive security-related information.
When separated from this cover letter this letter is uncontrolled.

~~Official Use Only - Security-Related Information~~

P. Auksel

do possess the sealed sources listed in Subitem Nos. 6 through 9 C. of the license and that they are in active service.

However, at the time of this telephone call, you were unable to verify whether the sealed sources listed in Subitem Nos. 6 through 9 B. of the license were still in your possession, as they are listed "For storage only."

Please clarify this situation and advise us, in your written response, as to the whereabouts of these sealed sources. You also agreed to contact Ms. Casey by telephone at (630) 829-9841 as soon as you could confirm the location of these sealed sources, prior to submitting the written response requested.

3. Ms. Casey noted that there was a discrepancy in your letter dated May 5, 2010, concerning the manufacturer's name and model number of the sealed sources/gauging devices you requested an increased possession limit for in Subitem Nos. 6 through 9 D. Ms. Casey suggested that it might be best for us to simply authorize all of the manufacturer's names and model numbers for these sealed sources/gauging devices, as they appear on the current Sealed Source and Device Registry certification. You agreed to this and the change has been made to Subitem No. 7 of your license. This is a "no response" item.
4. For future reference, please note that it is best to explicitly direct us to make changes to your license, such as requesting possession limit changes, instead of submitting an inventory listing that we must infer your possession limits from.

It appears that your submission of the inventory contained in your letter dated July 16, 2010, may have been the result of a misunderstanding between you and Mr. Herr that took place in a telephone conversation between you and Mr. Herr on July 16, 2010. This is also a "no response" item.
5. There are several minor "cosmetic" formatting changes noted in your license in "bold" font. These changes should enhance your understanding of the radiation safety program authorized by your license.
6. Please note the availability of NUREG 1556, Vol. 4, "Consolidated Guidance About Materials Licenses Program - Specific Guidance About Fixed Gauge Licenses," located at: <http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1556/>

NRC's Regulatory Issue Summary (RIS) 2005-31 provides criteria to identify security-related sensitive information and guidance for handling and marking of such documents. This ensures that potentially sensitive information is not made publicly available through ADAMS, the NRC's electronic document system.

Pursuant to NRC's RIS 2005-31 and in accordance with 10 CFR 2.390, the enclosed license document is exempt from public disclosure because its disclosure to unauthorized individuals could present a security vulnerability.

P. Auksel

The RIS may be located on the NRC Web site at: <http://www.nrc.gov/reading-rm/doc-collections/gen-comm/reg-issues/2005/ri200531.pdf> and the link for frequently asked questions regarding protection of security related sensitive information may be located at: <http://www.nrc.gov/reading-rm/sensitive-info/faq.html>.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

You will be periodically inspected by NRC. Failure to conduct your program in accordance with NRC regulations, license conditions, and representations made in your license application and supplemental correspondence with NRC will result in enforcement action against you. This could include issuance of a notice of violation, or imposition of a civil penalty, or an order suspending, modifying or revoking your license as specified in the General Statement of Policy and Procedure for NRC Enforcement Actions.

Since serious consequences to employees and the public can result from failure to comply with NRC requirements, prompt and vigorous enforcement action will be taken when dealing with licensees who do not achieve the necessary meticulous attention to detail and the high standard of compliance which NRC expects of its licensees.

Sincerely,



Michael G. Herr, CHP
Materials Licensing Branch

License No. 13-07964-07
Docket No. 030-18429

Enclosure:

License No. Amendment No. 14