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

NOV 0 7 20M

Michael Michl Radiation Safety Officer Applied Extrusion Technology, Inc. P.O. Box 5038 Terre Haute, IN 47805

Dear Mr. Michl:

Enclosed is Amendment No. 31 renewing your NRC Material License No. 13-13300-01 in accordance with your request. Note that that the major 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.

Please note that this amendment renews your license for a ten year period and your license will not expire until November 30, 2021.

This also refers to the telephone conversation between you and me on November 7, 2011, concerning the issues below.

During our review, we noted that there were some discrepancies in the application dated April 13, 2011, as compared your previous version of the license in Amendment No. 30.

In order to address these matters and completely resolve open issues with your renewed license please respond in writing to the items below within 30 days of the date of this letter. If necessary, please contact me at (630) 829-9841 to arrange an alternate response date. My fax number is (630) 515-1078.

Please address your response to my attention as "additional information to control number 575108," ensure that it is signed by a senior licensee management official and currently dated. These steps will greatly facilitate proper handling in our offices so that we may then continue our review.

The following discrepancies and issues were noted with respect to your application dated April 13, 2011:

1. On Amendment No. 30, Subitem No. 9.A. reads, in part, "SHGL...." This was incorrect and our error. This has been corrected to read "SHLG," to reflect the correct Ohmart gauge model. We apologize for this error and for any inconvenience it may have caused you.

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The enclosed document contains sensitive security-related information. When separated from this cover letter this letter is uncontrolled. Official Use Only - Security-Related Information

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In addition, we noted that this model was not included in your renewal application request. Therefore we continued its authorization as it may have been an oversight on your part.

However, please respond by advising us whether you still have this gauge in possession or need to retain its authorization. If you still need it, please so state.

If you do not need to retain this authorization and if you have disposed of the device and sources to an authorized recipient, please submit the final leak test performed on the source and submit a copy of the acknowledgment of receipt from the party that accepted it, as well as a copy of that party's NRC or Agreement State license showing they were authorized to accept it. If the gauge recipient is an Agreement State licensee, please submit a copy of its Agreement State license also.

2. Amendment No. 30 listed "Nucleonics RTA-41E" as one of the americium-241 gauges you had authorization for. This gauge was not requested in your renewal application dated April 13, 2011. Also we cannot find this vendor or model in the SSDR.

Please check your records regarding the Nucleonics Model RTA-41E device and respond by advising us if there is another corporate identity that is manufacturing this gauge model and who that party is.

Also please determine with your vendor whether this model is generally licensed. If this is the case this model should not be included for this specific license.

Since we assumed it could just be an oversight, we continued its authorization in the renewal "as is." However, please respond by advising us whether you still have this gauge in possession or need to retain its authorization. If you still need it, please provide the current vendor's name so we may verify it in the Sealed Source and Device Registry, as we must do for all sealed sources and devices that we license.

If you do not need to retain this authorization and if you have disposed of the device and sources to an authorized recipient, please submit the final leak test performed on the source and submit a copy of the acknowledgment of receipt from the party that accepted it, as well as a copy of that party's NRC or Agreement State license showing they were authorized to accept it. If the recipient is an Agreement State licensee, please submit a copy of its Agreement State license also.

 Your application dated April 13, 2011, requests authorization to use americium-241 in an "NDC Systems Model 103" gauging device. However, your previous authorization in Subitem No. 9.B. on Amendment No. 30 was for the use of americium-241 in an "NDC Systems Model 102" gauging device. We included both model numbers in the renewed license until this issue is resolved.

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Please respond by clarifying if the model you need to have authorization for is "NDC Model 103" or "102."

- 4. Amendment No. 30 authorized the use of krypton-85 in a Taylor Model 015030 gauging device. Please note that the current, correct name of this vendor is "Taylor Instrument Company" and your renewed license has been corrected to reflect this in Subitem No. 9.C.
- 5. Amendment No. 30 authorized the use of krypton-85 in a Tracerlab Division Model SCL-77A gauging device. Please note that the current, correct name of this vendor is "Thermo EGS Gauging, Inc." and your renewed license has been corrected to reflect this in Subitem No. 9.C.
- 6. Amendment No. 30 authorized the use of krypton-85 in an Aeonics Model ASC-185 gauging device. This gauge was not requested in your renewal application dated April 13, 2011. Also the correct, current name of this vendor is now "Thermo EGS Gauging, Inc."

Please check your records regarding the Aeonics Model ASC-185 device.

Since we assumed it could just be an oversight, we continued its authorization in the renewal by updating the vendor's name. However, please respond by advising us whether you still have this gauge in possession or need to retain its authorization. If you still need it, please provide the current vendor's name so we may verify it in the Sealed Source and Device Registry, as we must do for all sealed sources and devices that we license.

If you do not need to retain this authorization and if you have disposed of the device and sources to an authorized recipient, please submit the final leak test performed on the source and submit a copy of the acknowledgment of receipt from the party that accepted it, as well as a copy of that party's NRC or Agreement State license showing they were authorized to accept it. If the recipient is an Agreement State licensee, please submit a copy of its Agreement State license also.

Please note that we modified your license by updating Condition No. 10, as it appeared on Amendment No. 30. Your facilities' address, now reads "3600 Head Road, Highway 41 North, Terre, Haute, Indiana."

In addition, we updated Condition Nos. 11, 14 and 18 and we added Condition Nos. 22, 23, 24, and 25. These changes have affected the numbering of your license conditions so please review your renewed licensed carefully.

These changes consisted of reformatting your license to include standard license conditions that appeared to be missing from your license. Placing them on your license now should enhance your awareness of the radiation safety program elements in your license and our regulatory requirements.

At this time, I excluded one item from your renewal application dated April 13, 2010, as "tied-down" in Condition No. 24. The item concerns an error that exists in the NUREG 1556, Vol. 4, guidance document that was carried over into your

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renewal application. This NUREG contains a few items that have changed since its publication but it has not been fully revised yet to reflect these changes.

In Item 7.1 of your application you accepted the standard response that permits you to "self-appoint" future Radiation Safety Officers (RSOs) who meet specified training and experience requirements.

We can no longer permit you to do this. NRC must amend your license before you change RSOs in the future. To change RSOs you should name the proposed RSO, provide evidence of adequate and appropriate training and experience with the fixed gauges and submit a signed and dated statement that the proposed RSO accepts the position and understands the duties and responsibilities associated with it. Your senior management representative must also sign this statement and delegate authority to the proposed RSO to operate your Radiation Safety Program.

If you have any questions concerning these changes or this amendment you may contact me directly at (630) 829-9841. My fax number is (630) 515-1078.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure 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/readingrm/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.

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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,

Colleen Carol Casey

Colleen Carol Casey Materials Licensing Branch

License No.13-13300-01 Docket No. 030-04411

Enclosure:

Amendment No. 31