

**SAFETY INSPECTION REPORT AND COMPLIANCE INSPECTION**

1. LICENSEE/LOCATION INSPECTED:  Michigan Steel Strapping 12465 Delta St Taylor, MI 48180  REPORT NUMBER(S) 2014-006		2. NRC/REGIONAL OFFICE  Region III U. S. Nuclear Regulatory Commission 2443 Warrenville Road, Suite 210 Lisle, IL 60532-4352	
3. DOCKET NUMBER(S)  999-90003	4. LICENSE NUMBER(S)  GL-34878	5. DATE(S) OF INSPECTION  May 1, 2014 with in-office review until May 29, 2014	

**LICENSEE:**

The inspection was an examination of the activities conducted under your license as they relate to radiation safety and to compliance with the Nuclear Regulatory Commission (NRC) rules and regulations and the conditions of your license. The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector. The inspection findings are as follows:

- 1. Based on the inspection findings, no violations were identified.
- 2. Previous violation(s) closed.
- 3. The violation(s), specifically described to you by the inspector as non-cited violations, are not being cited because they were self-identified, non-repetitive, and corrective action was or is being taken, and the remaining criteria in the NRC Enforcement Policy, to exercise discretion, were satisfied.

Non-cited violation(s) were discussed involving the following requirement(s):

- 4. During this inspection, certain of your activities, as described below and/or attached, were in violation of NRC requirements and are being cited in accordance with NRC Enforcement Policy. This form is a NOTICE OF VIOLATION, which may be subject to posting in accordance with 10 CFR 19.11.  
(Violations and Corrective Actions)

Contrary to the requirements in 10 CFR 31.5(c)(2), the licensee failed to test one generally-licensed Gamma Instruments Inc. Model No. GR100 fixed gauge containing a sealed source of Americium-241 and not subject to the exemptions specified in subparagraphs (i) and (ii), for leakage or proper operation of the on-off mechanism between March 16, 2010 and December 2012, an interval longer than six months as specified in the regulation and a longer interval was not specified on the label. The root cause of the violation was the general licensee's delay in replacing the Gamma Instruments gauge with a mechanical gauge. The general licensee had the fixed gauge removed from service in December 2012 and has kept it in storage since then. As corrective action the general licensee hired a contractor to perform a leak test and on-off mechanism test on May 19, 2014. The inspector informed the licensee of the requirement to not hold the device in storage for longer than two years. The licensee intends to dispose of the device to a specific licensee before December 2014.

**Statement of Corrective Actions**

I hereby state that, within 30 days, the actions described by me to the Inspector will be taken to correct the violations identified. This statement of corrective actions is made in accordance with the requirements of 10 CFR 2.201 (corrective steps already taken, corrective steps which will be taken, date when full compliance will be achieved). I understand that no further written response to NRC will be required, unless specifically requested.

TITLE	PRINTED NAME	SIGNATURE	DATE
LICENSEE'S REPRESENTATIVE	Mike Wallace	<i>Mike Wallace</i>	5/29/14
NRC INSPECTOR	Andrew M. Bramnik	<i>Andrew M. Bramnik</i>	5/29/14
BRANCH CHIEF	Aaron T. McCraw	<i>Aaron T. McCraw</i>	5/29/14

**Docket File Information**  
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6. INSPECTION PROCEDURES USED  87124	7. INSPECTION FOCUS AREAS  03.01 - 03.07
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**SUPPLEMENTAL INSPECTION INFORMATION**

1. PROGRAM CODE(S)  03120	2. PRIORITY  5	3. LICENSEE CONTACT  Bear Galliers, Company Owner	4. TELEPHONE NUMBER  (734) 946-1554
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Main Office Inspection                      Next Inspection Date: \_\_\_\_\_ N/A

Field Office Inspection                      \_\_\_\_\_

Temporary Job Site Inspection                      \_\_\_\_\_

**PROGRAM SCOPE**

This was an inspection of a licensee that possessed one or more generally-licensed devices, conducted in response to recommendations made by the NRC's Office of Inspector General in OIG-12-A-14 "Audit of NRC's Issuance of General Licenses." The licensee was a steel production and strapping facility. In February 2014, the company moved from its previous address in Detroit, MI to its current address in Taylor, MI. At the time of the inspection, the licensee possessed one generally-licensed device that was registered with the NRC in the General License Tracking System; however, the device had been out of service and in storage since December 2012.

**PERFORMANCE OBSERVATIONS**

The inspection consisted of interviews of selected personnel and a review of selected records. The Shop Manager was not able to produce records of leak test and on-off mechanism (shutter) tests for the one generally-licensed device during the on-site inspection. The Shop Manager informed the inspector that the device had been routinely tested while it was in operation but that it had been out of service for approximately one year.

The inspector was unable to tour the licensee's former Detroit facility where the generally-licensed device was located. The licensee informed the inspector that they still possessed the device in its originally-installed location; however, the line where it was installed was not relocated to their new facility due to a lack of space. On May 29, 2014, the company owner e-mailed the inspector records of the last leak tests and on-off mechanism tests that had occurred in October 2009 and March 2010. The fixed gauge remained in use until December 2012, when it was removed and replaced with a mechanical gauge. The owner informed the inspector that the company did not intend to have the gauge re-installed for use at the previous or current locations, and committed to dispose of the gauge only to a specific licensee before December 2014.

The inspector identified one Severity Level IV violation for the general licensee's failure to test devices for leakage and proper operation of the shutter every six months as required by 10 CFR 31.5(c)(2). The violation is described in Part 1.