

SAFETY INSPECTION REPORT AND COMPLIANCE INSPECTION

1. LICENSEE/LOCATION INSPECTED: ERP Iron Ore, LLC 64 E 100 N Reynolds, IN 47980 REPORT NUMBER(S) 2017001		2. NRC/REGIONAL OFFICE Region III U. S. Nuclear Regulatory Commission 2443 Warrenton Road, Suite 210 Lisle, IL 60532-4352	
3. DOCKET NUMBER(S) 030-38920	4. LICENSE NUMBER(S) 13-35286-01	5. DATE(S) OF INSPECTION October 13, 2017	

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)

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			
NRC INSPECTOR	Ryan Craffey	<i>Ryan Craffey</i>	10/18/2017
BRANCH CHIEF	Aaron McCraw	<i>Aaron McCraw</i>	11/01/2017

Docket File Information

SAFETY INSPECTION REPORT AND COMPLIANCE INSPECTION

1. LICENSEE/LOCATION INSPECTED:

ERP Iron Ore, LLC
64 E 100 N
Reynolds, IN 47980

REPORT NUMBER(S) 2017001

2. NRC/REGIONAL OFFICE

Region III
U. S. Nuclear Regulatory Commission
2443 Warrenville Road, Suite 210
Lisle, IL 60532-4352

3. DOCKET NUMBER(S)

030-38920

4. LICENSE NUMBER(S)

13-35286-01

5. DATE(S) OF INSPECTION

October 13, 2017

6. INSPECTION PROCEDURES USED

87124

7. INSPECTION FOCUS AREAS

All

SUPPLEMENTAL INSPECTION INFORMATION

1. PROGRAM CODE(S)

03120

2. PRIORITY

5

3. LICENSEE CONTACT

Mark Luttrell - RSO

4. TELEPHONE NUMBER

(765) 412-6988

☒ Main Office Inspection

Next Inspection Date: 10/13/2018

☐ Field Office Inspection

☐ Temporary Job Site Inspection

PROGRAM SCOPE

This was an announced re-initial inspection of an iron ore pelletizing plant in Reynolds, Indiana, authorized to use Berthold and VEGA Americas fixed nuclear gauges for process measurements. Since the last attempted initial inspection in October 2016, the facility's parent company, Magnetation LLC, underwent bankruptcy proceedings, culminating in January 2017 in the company's sale to a new owner. Although neither the Reynolds plant nor any of the company's iron mines in Minnesota have yet restarted, the new owners have begun hiring staff back at each facility to begin the process of restoring equipment and resuming operations. The NRC license for the Reynolds plant was amended in July 2017, naming a new RSO along with a change of ownership. Currently, the RSO and six others have been hired back at the plant, including one other I&C technician who assisted in overseeing the fixed gauges.

PERFORMANCE OBSERVATIONS

The inspector toured the plant in Reynolds to evaluate the licensee's measures for materials security, hazard communication and exposure control. The inspector verified that the twelve gauges installed on process equipment were still locked out and in good condition, and that two gauges in storage continued to be adequately secured. The inspector conducted independent surveys in the vicinity of several source holders; readings were consistent with those listed in the appropriate SDDR safety evaluations. The inspector interviewed the RSO and the I&C technician to discuss the continued oversight of licensed material, as well as the company's plans for future operations. The inspector also informed the staff of the requirements in 10 CFR 30.36(d), since the licensee had not conducted any principal activities since October 2016. The inspector reviewed a selection of available records, including documentation of semiannual inventories, shutter checks and surveys, as well as survey meter calibration certificates and non-routine maintenance procedures.

No violations of NRC requirements were identified as a result of this inspection. However, because of the continued lack of principal activities and the associated uncertainty regarding their future conduct, the initial inspection of this license should not be considered complete. The due date for the next inspection should therefore be set to one year from the date of this inspection.

Craffey, Ryan

From: Craffey, Ryan
Sent: Friday, December 08, 2017 12:12 PM
To: Mark Luttrell
Subject: NRC Inspection Report
Attachments: NRC Inspection Report - ERP Iron Ore 2017.pdf

Hello Mark,

As we discussed during our phone call today, attached is a copy of the signed and completed inspection report for my visit back in October. Since no violations were identified, no additional action on your part is required. Please feel free, however, to let me know if there is anything we here in the region can do to assist you.

The notification requirement we discussed is **10 CFR 30.36**. The text of the regulation can be found [here](#). The specific section which applies if the gauges remain idled for 24 months is 30.36(d)(3), and the section which discusses granting extensions is 30.36(f). If it does come to pass that notification to the NRC is required, directions on how to make the request can be found in 30.6 (link [here](#)). Or you can just give me a heads up and I'll step you through it.

Ryan Craffey

Health Physicist
US Nuclear Regulatory Commission
Materials Inspection Branch, Region III
(630) 829-9655