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September 28, 1990

A. Bert Davis
Regional Administrator
United States Nuclear Regulatory Commission
Region III
799 Roosevelt Road
Glen Ellyn, Illinois 60137

Re: St. Mary Medical Center - Hobart, St. Mary Medical
Center - Gary, License Nos. 13-03459-02, 13-03459-03;
Docket Nos. 030-31379-OM, 030-01615-OM

Dear Mr. Davis:

This letter is written in response to your letter dated September 21, 1990. St. Mary Medical Center - Hobart and Gary ("Licensees") hereby nominate an audit team pursuant to the terms of the U.S. Nuclear Regulatory Commission's ("NRC") April 27, 1990 Order, as amended by your letter dated September 21, 1990.

The Licensees hereby nominated Ned B. Hornback, M.D. and Richard A. Steeves, M.D., Ph.D. as radiation oncologists to lead the audit team. The enclosed curriculum vitae for each physician will provide you with information about each physician's education, training, brachytherapy experience, as well as information about each physician's publications, and academic honors.

The Licensees also nominate George Anthony Sandison, Ph.D., and Bhudatt B. Paliwal, Ph.D., as the physicists who will participate in the audit. The enclosed curriculum vitae for Dr. Sandison and Dr. Paliwal will provide you with each physicist's education, training, and brachytherapy experience.

The Licensees believe that with this letter you will receive sufficient information to enable you to determine that

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Dr. Hornback, Dr. Steeves, Dr. Sandison, and Dr. Paliwal are qualified to serve as members of the Licensees' audit team. In the event that you need any additional information, feel free to contact me and I will endeavor to obtain that information. In addition, the proposed members of the audit team have been, or will be, advised that the NRC may call them to discuss their qualifications and other aspects of their participation in the audit.

In your September 21, 1990 letter, you requested that the Licensees provide certification that the members of the proposed audit team do not have personal, financial, or business interests with the Licensees, members of the Licensees' staff, the authorized users, the law firm of J. Paige Clousson and Associates, or this firm. The Licensees have directly discussed these matters with Dr. Hornback, and Dr. Sandison. The Licensees hereby certify that neither Dr. Hornback nor Dr. Sandison have any personal, financial, or business interests with the Licensees, members of the Licensees' staff, the authorized users, or either of the law firms involved in this matter. Furthermore, in a letter from J. Paige Clousson dated September 28, 1990, the Licensees received a similar certification for Dr. Steeves and Dr. Paliwal. A copy of Mr. Clousson's letter is attached.

In addition, in your September 21, 1990 letter, you requested that the Licensees certify that each member of the audit team understands the definition of a misadministration as set forth at 10 C.F.R. 35.2. Licensees have directly discussed this question with Dr. Hornback and Dr. Sandison. The Licensees hereby certify that Dr. Hornback and Dr. Sandison fully understand the definition of a misadministration set forth at 10 C.F.R. 35.2. In addition, in a letter from J. Paige Clousson dated September 28, 1990, the Licensees received a similar certification for Dr. Steeves and Dr. Paliwal. A copy of Mr. Clousson's letter is attached.

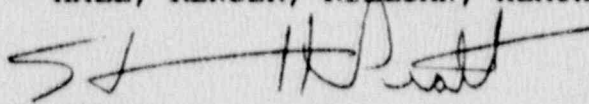
The Licensees have advised Dr. Hornback and Dr. Sandison that it will be necessary for the audit team to prepare an audit plan. The Licensees will provide each member of the audit team with a copy of the NRC's "Guidance for Proposing the Audit Team and Plans," which was provided to us as an attachment to your September 21, 1990 letter. In addition, the Licensees intend to provide each member of the audit team with a copy of the audit plan submitted by Porter Memorial Hospital. The Licensees will request that members of the audit team prepare an audit plan as soon as possible and the Licensees will submit the audit plan to the NRC as soon as it has been completed by the audit team.

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Please feel free to contact me if you have any questions.
We look forward to receiving from you confirmation that the
proposed members of the audit team are acceptable to the NRC.

Sincerely,

HALL, RENDER, KILLIAN, HEATH & LYMAN



Steven H. Pratt

SHP/pm

Enclosure

cc: Ned B. Hornback, M.D. (w/o enc.)
Richard A. Steeves, M.D., Ph.D. (w/o enc.)
George Anthony Sandison, Ph.D. (w/o enc.)
Bhudatt R. Paliwal, Ph.D. (w/o enc.)
Elizabeth Kaminski (w/o enc.)
Milton Triana
J. Paige Clousson
Eugene Holler (via Federal Express)
Stephen W. Lyman (w/o enc.)