

NOTICE OF VIOLATION

Midwest Steel Division  
National Steel Corporation  
Portage, Indiana

General License (10 CFR 31.5)  
Docket No. 99990003

During an NRC inspection conducted on June 6, 1994, with continuing NRC review through June 21, 1994, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C, the violations are listed below:

10 CFR 31.5(c)(3) requires that any person who acquires, receives, possesses, uses or transfers byproduct material in a device pursuant to a general license shall assure that tests for leakage of radioactive material and proper operation of the on-off mechanism and indicator, if any, and other testing, installation, servicing, and removal from installation involving the radioactive material, its shielding or containment, are performed: (1) in accordance with the instructions provided by the labels; or (2) by a person holding a specific license pursuant to 10 CFR Parts 30 and 32 or from an Agreement State to perform such activities.

Contrary to the above, about June 1993, servicing of the licensee's NDS Model 100 thickness gauge containing americium-241 was not performed in accordance with the instructions provided by the labels or by a person holding a specific license pursuant to 10 CFR Parts 30 and 32 or from an Agreement State to perform such activities. Specifically, a source assembly on a NDS Model 100 thickness gauge was replaced by an unauthorized person.

This is a Severity Level IV violation (Supplement VI).

Pursuant to the provisions of 10 CFR 2.201, Midwest Steel Division is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, Region III, 801 Warrenville Road, Lisle, Illinois, 60532-4351, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. If an adequate reply is not received within the time specified in this Notice, an order or demand for information may be issued as to why the license should not be modified,

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suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

Dated at Lisle, Illinois  
this 26 day of July 1994