



July 26, 2011

Mr. Mike Herr
United States Nuclear Regulatory Commission - Region III
Materials Licensing Branch
2443 Warrenville Road
Lisle, Illinois 60532-4351

Re: Phone call conversation, control #574375

Dear Mr. Herr,

This letter is a follow up to the phone conversation, between you and Craig Metzger on 7/25/11. Please see the responses to your questions below.

NRC Question: During our review of your application dated January 25, 2011, we noted the statement that you "perform the transfer of sealed sources". Your license does not permit the removal of the sources from the gauge device or equipment that it is mounted to. During our phone conversation, you provided clarification that the molds are transferred and not the sources. Please provide clarification for this process of transferring molds instead of sources in a written statement.

Gerdau – Monroe Response: As discussed, the sources are not removed from their shielding or gauges at any point during maintenance activities. The molds deteriorate over time and need to be replaced. Therefore, the molds are replaced without the sources being transferred.

NRC Question: Your application did not provide commitment to inventory sealed sources every six months as stated in the Section entitled "Material Receipt and Accountability" in NUREG-1556, "Consolidated Guidance about Materials Licenses: Program-Specific Guidance about Fixed Gauges Licenses," Vol. 4, dated October 1998. Please provide a written statement that you will conduct physical inventories at intervals not to exceed 6 months to account for all sealed sources.

Gerdau – Monroe Response: Also discussed during the telephone call, Gerdau does inventory its sources during the semi-annual wipe tests. Records are kept on file.

NRC Question: Lastly during the phone conversation we discussed the change in the company's name indicated on Item No. 2 of your application. Please review Appendix C of NUREG-1556, Vol. 4 dated October 1998 to determine if there is a control of ownership. If so you will need to provide the information required in Appendix C. If

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there was no control of ownership in accordance with Appendix C, please state so in writing.

Gerdau – Monroe Response: In 2008, Gerdau South America (S.A.) acquired the stock options of Quanex Corporation. The legal name of the facility at that time was Macsteel Monroe, Inc. The ownership was based out of Houston, TX and was moved to Jackson, MI. The ownership name was Macsteel Inc. The legal name of the facility has not changed during this time period. The owner name has been modified to Gerdau Group. During the past few months, the business name has been modified due to a sales rebranding initiative to “Gerdau – Monroe Mill”. This rebranding aligns the Gerdau – Monroe mill with the other Gerdau mills.

If you have any questions or concerns regarding this submittal, please feel free to contact Craig Metzger at 734-384-6544.

Sincerely,



Otto Alvarado
General Manager
Gerdau – Monroe Mill

Encl.

Cc: File