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October 7, 1996

John Goodish, General Manager
U.S. Steel Corporation
Gary Works
1 North Broadway
Gary, IN 46402

SUBJECT: NRC INSPECTION AND NOTICE OF VIOLATION

Dear Mr. Goodish:

This refers to the inspection conducted on May 23-24 and June 6, 1996, at the U.S. Steel Corporation, Gary Works facility in Gary, Indiana. The purpose of the inspection was to determine whether activities authorized by the licenses were conducted safely and in accordance with NRC requirements. At the conclusion of the inspection, the findings were discussed with members of your staff. This also refers to discussions with members of your staff through July 22, 1996, and further NRC review through September 6, 1996.

The inspection was an examination of activities conducted under your licenses as they relate to radiation safety and to compliance with the Commission's rules and regulations and with the conditions of your licenses. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, independent measurements and observation of activities in progress.

Based on the results of this inspection, the NRC has determined that violations of NRC requirements occurred. These violations are cited in the enclosed Notice of Violation (Notice). A written response is required.

In addition, the NRC is continuing to review the matter involving the activity of americium-241 contained in your NDS model 200 generally licensed metal coating thickness gauges. The inspection disclosed that the source activity listed on the labels of these devices may be in excess of the limit currently authorized. We will inform you of the results of our review in a future correspondence.

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J. Goodish

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In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, the enclosure, and your response to this letter will be placed in the NRC Public Document Room (PDR). To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction.

Sincerely,

Original Signed by R.J. Caniano for

Cynthia D. Pederson, Director
Division of Nuclear Materials Safety

Docket Nos.: 030-11205
030-18849
030-29080
License Nos.: 37-02375-01
13-07964-07
13-07964-08

Enclosure: Notice of Violation

bcc w/encl: PUBLIC IE07
B. Burgess

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