

OCT 28 1996

License No. 37-30147-01  
EA No. 96-302

Docket No. 030-33534

Mr. Pradip K. Ghosh  
President  
GRD Steel Corporation  
c/o Commercial Steel Corp.  
P.O. Box U  
Glassport, Pennsylvania 15045

SUBJECT: RESPONSE TO YOUR LETTER DATED OCTOBER 2, 1996

Dear Mr. Ghosh:

This letter refers to your letter dated October 2, 1996 and facsimile received October 16, 1996, concerning the two fixed gauges listed on GRD Steel's NRC license. Please note that GRD's NRC license has NOT been canceled. The license is suspended and shall continue in effect with respect to possession of the byproduct material until the Commission determines that the material has been properly disposed. The Commission will terminate the license by a written notice at that time. GRD remains responsible for the disposition of the gauges. See 10 CFR 30.36, paragraphs (b)-(c) and (j)-(k) (enclosed).

Your letter dated October 2, 1996 and facsimile received October 16, 1996 did not provide all of the information requested by NRC Order (Order) and Demand For Information (Demand) dated September 13, 1996. Specifically, the Order and Demand require that you:

1. Provide, within 20 days of the Demand dated September 13, 1996, an explanation of the relationship between Commercial Steel and GRD Steel Corporation (GRD) including, but not limited to, any public disclosure statements, articles of incorporation, proxy statements, and agreements between Commercial Steel and GRD, and provide a list of the names and addresses of all former and current officers, Board of Directors, and stockholders of GRD; and state whether any officers or directors are currently or have previously been officers or directors of Commercial Steel.
2. Transfer, in cooperation with Monongahela Industrial Development Authority (MIDA), all NRC-regulated material to an authorized recipient within 60 days of receipt of the Order dated September 13, 1996. In your October 2, 1996 letter, you state that "GRD Steel does not have any cash to bear the expenses of transferring the sources to Berthold the original supplier of the equipment." Your facsimile received October 16, 1996, contains an estimate from Berthold of the cost

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P. K. Ghosh  
GRD Steel Corporation

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to transfer the sources and the basis for the estimate, written statements from two banks stating that GRD could not qualify for a loan to pay for the transfer, partial copies of Federal income tax returns for one officer of GRD and copies of profit and loss statements for GRD. The following is still required and should be provided within 5 days of the receipt of this letter:

- A. A written oath of affirmation, before a notary public, stating that the information provided in the October 2, 1996 letter and the facsimile received on October 16, 1996, is true and correct to the best of your knowledge; and
- B. complete copies of the Federal income tax return for the years ending 1994 and 1995 for both GRD Steel Corporation and all of its officers;

Notwithstanding your statement that you cannot bear the expense of transferring the sources, we wish to emphasize that the requirements of the Order, including the requirement that you transfer all licensed material to an authorized user within 60 days of your receipt of the Order, remain in effect unless relaxed or rescinded in writing by the Regional Administrator, NRC Region I. We will continue our evaluation upon receipt of the information identified above.

Pursuant to section 223 of the Atomic Energy Act of 1954, as amended, any person who willfully violates, attempts to violate, or conspires to violate, any provision of a Commission Order shall be subject to criminal prosecution as set forth in that section. Violation of an Order may also subject the person to civil monetary penalty. Failure to comply with the provisions of a Demand for Information may result in enforcement action.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter will be placed in the Public Document Room.

Sincerely,

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**ORIGINAL SIGNED BY:**

Charles W. Hehl, Director  
Division of Nuclear Materials Safety

Enclosure: 10 CFR 30

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P. K. Ghosh  
GRD Steel Corporation

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cc w/encl:  
Commonwealth of Pennsylvania

Lue Ann Pawlick  
Manager  
Monongahela Industrial Development Authority  
P. O. Box 491  
Donora, Pennsylvania 15033

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