

OCT 23 1985

Docket No. 030-17742

License No. 37-19469-01

Steelmet, Inc.
ATTN: John J. Forebaugh
Vice President-Commercial
15th Street and River Road
McKeesport, PA 15134

Gentlemen:

Subject: Inspection No. 030-17742/85-01

This refers to the routine safety inspection conducted by M. A. Varela of this office on July 31, 1985 of activities authorized by NRC License Number 37-19469-01 and to the discussions of our findings held by M. A. Varela with Mr. William Fisher of your staff at the conclusion of the inspection.

The inspection was an examination of activities conducted under your license as they relate to radiation safety and to compliance with the Commission's rules and regulations and the conditions of your license. The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector.

Based on the results of this inspection, it appears that certain of your activities were not conducted in full compliance with NRC requirements, as set forth in the Notice of Violation, enclosed herewith as Appendix A. These violations have been categorized by severity level in accordance with the revised NRC Enforcement Policy (10 CFR 2, Appendix C) published in the Federal Register Notice (49 FR 8583) dated March 8, 1984. You are required to respond to this letter and in preparing your response, you should follow the instructions in Appendix A.

Item A described in the attached Notice of Violation, involving control of licensed material, is classified as a Severity Level IV violation. As indicated in Supplement IV of the NRC Enforcement Policy significant violations of this type are normally classified as Severity Level III. However, after careful consideration of the factors involved in this specific instance, including the fact that the impact on the health and safety of the public was minimal and remote since removal of the unsecured material by unauthorized individuals was unlikely, we have exercised our judgement under the NRC Enforcement Policy and have classified this violation as Severity Level IV. Similar violations of this type in the future may result in additional enforcement action.

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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 and your reply will be placed in the Public Document Room.

The responses directed by this letter and the accompanying Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

Your cooperation with us in this matter is appreciated.

Sincerely,

Original Signed By:
John E. Glenn

John E. Glenn, Ph.D, Chief
Nuclear Materials Safety Section B,
Division of Radiation Safety
and Safeguards

Enclosure:
Appendix A, Notice of Violation

cc w/enclosure:
Public Document Room (PDR)
Nuclear Safety Information Center (NSIC)
Commonwealth of Pennsylvania

bcc:
Region I Docket Room (w/concurrences)
Senior Operations Officer (w/o encl.)
Dan Holody

RI:DRSS RI:DRSS
Varela/ca Glenn
10/6/85 10/17/85

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