

~~OFFICIAL USE ONLY – SECURITY-RELATED INFORMATION~~



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
1600 EAST LAMAR BLVD
ARLINGTON, TEXAS 76011-4511

August 10, 2012

EA-11-124

Jason L. Stone, President
Quality Inspection and Testing, Inc.
3808 Commercial Drive
New Iberia, Louisiana 70560

SUBJECT: CONFIRMATORY ORDER (EFFECTIVE IMMEDIATELY) (NRC INSPECTION
REPORT 150-00017/2010-004 AND INVESTIGATION REPORT NO 4-2011-031)

Dear Mr. Stone:

The enclosed Confirmatory Order is being issued to Quality Inspection and Testing, Inc. (QIT), as a result of a successful alternative dispute resolution (ADR) session. The enclosed commitments were made by QIT as part of a settlement agreement between QIT and the NRC concerning four apparent violations identified in the subject inspection report dated June 5, 2012 (ADAMS Accession ML12157A581).

In the June 5, 2012, inspection report, the NRC provided you with the results of an NRC inspection and an investigation conducted by the NRC's Office of Investigations, Region IV. The report identified four apparent violations associated with the conduct of radiographic operations on October 27, 2010, at a temporary jobsite located near Rock Springs, Wyoming. Our letter also informed you that the four apparent violations were being considered for escalated enforcement action in accordance with the NRC Enforcement Policy. The four apparent violations involved the failure to: (1) control and maintain constant surveillance of licensed material that is not in storage as required by 10 CFR 20.1802; (2) secure material in a portable device from unauthorized removal when the device is not under direct control and constant surveillance, as required by IC-4(a) of Attachment B to NRC Order EA-05-090 (Increased Controls Order), (3) wear, on the trunk of the body, a direct reading dosimeter, an operating alarm ratemeter, and a personnel dosimeter, while conducting radiographic operations as required by 10 CFR 34.47(a); and (4) maintain copies of specified records and

The Appendix to Enclosure 1 transmitted herewith contains Sensitive Unclassified Non-Safeguards Information. When separated from the Appendix to Enclosure 1, this cover letter and its enclosures are decontrolled.

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Quality Inspection and Testing, Inc.

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documents required at a temporary jobsite as required by 10 CFR 34.89(b). In addition, the NRC is concerned that willfulness might be associated with the first three apparent violations listed above. A factual summary of the investigation conducted by the Office of Investigation, Region IV, was enclosed with our June 5, 2012, letter.

In addition, our June 5, 2012, letter offered you a choice to either attend a Predecisional Enforcement Conference or request ADR with the NRC in an attempt to resolve any disagreement on whether these violations occurred, the appropriate enforcement action, and the appropriate corrective actions. In response to our letter, QIT requested ADR. An ADR mediation session was held on June 27, 2012, during which a preliminary settlement agreement was reached. The elements of the preliminary settlement agreement were formulated and agreed to at the mediation session and are contained in the enclosed Confirmatory Order.

The enclosed Confirmatory Order (Effective Immediately) confirms the commitments made as part of the settlement agreement. The Appendix to this order includes Security-Related information; therefore it is not publically available. As evidenced by your signed "Consent and Hearing Waiver Form," (Enclosure 2) dated August 8, 2012, you agreed to the issuance of this letter and Confirmatory Order.

As indicated in the Confirmatory Order, QIT agreed to pay a civil penalty of \$3,500 in accordance with the conditions contained in the Confirmatory Order. Payment methods are described in NUREG/BR-0254, "Payment Methods" (Enclosure 3). Additionally, QIT must submit a statement indicating when and by what method payment was made to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, One White Flint North, 11555 Rockville Pike, Rockville MD 20852-2738.

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 this Confirmatory Order shall be subject to criminal prosecution as set forth in that section. Violation of this Confirmatory Order may also subject the person to civil monetary penalty.

You are not required to respond to this letter. However, if you choose to provide a response, please provide it within 30 days to the U.S. Nuclear Regulatory Commission, Regional Administrator, Region IV, 1600 East Lamar Blvd., Arlington, Texas 76011-4511. To the extent possible, your response should not include any personal, privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction. If you have any questions or comments concerning this letter, please contact Mr. Michael Vasquez at 817-200-1130.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosures, with the exception of the Appendix to Enclosure 1, will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. Because the Appendix to the

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Quality Inspection and Testing, Inc.

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Confirmatory Order contains Security-Related Information, it will not be made available for public inspection. The Confirmatory Order, absent the Appendix, will be published in the *Federal Register*. Further, the NRC will include this letter and the Confirmatory Order, absent the Appendix, on its Enforcement Web site at <http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions>.

Sincerely,

/RA/

Elmo E. Collins
Regional Administrator

Docket: 150-00017

License: General License pursuant to
10 CFR 150.20

Enclosures:

1. Confirmatory Order with Appendix
2. Consent and Hearing Waiver Form
3. NUREG/BR-0254 "Payment Methods"

cc w/Enclosure 1 and 2:

Tim B. Knight, Administrator
Louisiana Dept. of Environmental Quality
Office of Environmental Compliance
Emergency & Radiological Services Division
Office of Environmental Services
P.O. Box 4312
Baton Rouge, LA 70821-4312

Scott W. Ramsay
Radiological Services Supervisor
Wyoming Office of Homeland Security
5500 Bishop Blvd., Door #1
Cheyenne, WY 82009

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of

Quality Inspection and Testing, Inc.
New Iberia, Louisiana

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Docket No. 150-00017
General License Pursuant to
10 CFR 150.20
EA-11-124

CONFIRMATORY ORDER
(EFFECTIVE IMMEDIATELY)

I

Quality Inspection & Testing, Inc. (QIT), is the holder of a general license issued by the U.S. Nuclear Regulatory Commission (NRC or Commission) pursuant to 10 CFR 150.20. This general license was granted to QIT at various times during calendar years 2010 and 2011. This Confirmatory Order is the result of an agreement reached during an alternative dispute resolution (ADR) mediation session conducted on June 27, 2012, at the NRC Region IV office in Arlington, Texas.

II

On October 27, 2010, the NRC conducted an inspection at a temporary job site located near Rock Springs, Wyoming. As a result of this inspection, QIT conducted an internal investigation and reported the results to the NRC in a letter dated January 27, 2011 (ML110940552). In response to QIT's investigation results, the NRC issued a Confirmatory Action Letter

(CAL- 4-11-001) on February 11, 2011 (ML110420261). QIT responded to the Confirmatory Action Letter in a letter dated February 15, 2011 (ML110530442). In addition, the NRC Office of Investigations (OI), Region IV, conducted an investigation (Case 4-2011-031).

By letter dated June 5, 2012, the NRC transmitted the results of the inspection and investigation in NRC Inspection Report 150-00017/2010-004 and Investigation Report 4-2011-031 (ML12157A581). Based on the results of the inspection and investigation, the NRC determined that four apparent violations of NRC requirements had occurred. The apparent violations involved failure to: (1) control and maintain constant surveillance of licensed material that is not in storage as required by 10 CFR 20.1802; (2) comply with security-related requirements as discussed in the Appendix to this Order; (3) wear, on the trunk of the body, a direct reading dosimeter, operating alarm ratemeter and a personnel dosimeter while conducting radiographic operations in accordance with the requirements of 10 CFR 34.47(a); and (4) maintain copies of the specified records and documents required at a temporary jobsite as required by 10 CFR 34.89(b). Furthermore, the NRC is concerned that willfulness may be associated with the first three apparent violations. Finally, the inspection and investigation evidence also provided the basis for NRC identified apparent security violations of NRC requirements. The violations are described in the Appendix to this Order. (The Appendix includes Security-Related information; therefore, it is not publically available.)

In the June 5, 2012, letter, the NRC informed QIT that the NRC was considering escalated enforcement action for the apparent violations. The NRC offered QIT the opportunity to request a predecisional enforcement conference (PEC) or request alternative dispute resolution (ADR)

with the NRC in an attempt to resolve issues associated with this matter. In response, on June 13, 2012, QIT requested ADR to resolve this matter with the NRC.

On June 27, 2012, the NRC and QIT representatives met in an ADR session with a professional mediator, arranged through Cornell University's Institute on Conflict Resolution. ADR is a process in which a neutral mediator with no decision-making authority assists the parties in reaching an agreement on resolving any differences regarding the dispute. This Confirmatory Order is issued pursuant to the agreement reached during the ADR process.

III

In response to the NRC's offer, QIT requested use of the NRC ADR process to resolve differences it had with the NRC. During that ADR session, a preliminary settlement agreement was reached. The elements of the agreement consisted of the following.

The NRC recognizes the corrective actions associated with the apparent violations that QIT has already implemented, which include:

- Conducting an internal investigation into the issues identified by the NRC, and documenting the results of that investigation in a letter to the NRC dated January 27, 2011 (ML110940552).
- Appointing a full-time radiation safety officer (RSO) for QIT's Northwest Region on December 3, 2010, and giving the RSO full authority to enforce the QIT radiation safety program for personnel in the region.

- Holding a meeting with all radiography personnel promptly after the NRC inspection to communicate the inspection findings.
- Amending radiography policies and procedures to require the RSO to ensure all vehicles used in radiographic operations are equipped with the required documents and equipment prior to use.
- Retraining and testing all radiography personnel on QIT's Operating and Emergency Procedures, with emphasis on the duties and responsibilities of radiographers, dosimetry requirements, and a security-related issue discussed in the Appendix to this Confirmatory Order.
- Conducting weekly field audits to ensure employees follow the required company, state, and federal requirements.
- Granting "stop-work" authority to all radiography personnel who identify that radiography is being conducted in violation of the requirements.

QIT also agreed to take the following actions to address the apparent violations:

- A. Within 30 days of the date of the Confirmatory Order, QIT will issue a company policy statement to its employees regarding how unacceptable deliberate violations are, the importance of maintaining security over licensed material, and the ethics of complying with regulatory requirements. A copy of the policy statement will be provided to the NRC.

B. Within 30 days of the date of the Confirmatory Order, the president of QIT will issue a personal letter to employees regarding his expectations in identifying and communicating concerns to QIT management, as well as overall compliance with NRC regulations.

C. Training Requirements.

QIT will enhance its training program for employees conducting radiographic operations.

The goal of the changes is to conduct licensed operations safely and to deter future deliberate violations by ensuring that employees (including licensee managers) understand the importance the NRC places on violations associated with deliberate misconduct and careless disregard. The program will consist of training for all current and newly hired employees performing licensed activities and provide for annual refresher training. QIT will complete the following activities in support of the training program:

1. Training for current employees.

- a) Within 60 days of the date of the Confirmatory Order, QIT will contract with an external contractor to assist in the development of a QIT training program regarding the NRC Enforcement process. The external contractor will work with a QIT management representative. This QIT training program will address, at a minimum, the types of willfulness (careless disregard and deliberate misconduct), the potential criminal sanctions that the Department of Justice may take, and the potential enforcement sanctions that the NRC may take against employees who engage in

deliberate misconduct. The QIT management representative, who participated in the development of the program, will retain responsibility for providing training based on the program to all QIT employees who engage in NRC-licensed activities.

- b) At least 15 days before the time that QIT intends to execute the contract with the external contractor, QIT will submit for NRC review and approval, the resume of the contractor proposed to develop and perform the training described in Item C.1.a. above.
- c) At least 15 days prior to the start of training, but no later than 30 days after executing the contract with the external training contractor, QIT will submit for NRC review and approval an outline of the topics to be covered during the training session. The training will include the topics identified in Section C.3. of the Confirmatory Order.
- d) The training for managers will be completed within 60 days of the NRC's approval of the outline of the course topics. The training for managers will be provided by the external contractor. The training for current employees will be completed within 120 days of the NRC's approval of the outline of the course topics.
- e) QIT will assess the effectiveness of the training through written testing. Any employee that does not pass the test will receive remedial training and be retested. Within 30 days of completing the training for all current employees, QIT will provide

to the NRC: (1) a letter stating that the training as specified is complete and (2) the results of the employee testing process.

2. Training for new employees and annual refresher.

Within 120 days of the date of the Confirmatory Order, QIT will submit for NRC approval, the training program described in sections C.1 and C.3 along with associated procedure(s) that describe the initial training which must be provided to new employees who will be conducting NRC licensed activities and the annual refresher training that will be conducted for those employees who are performing NRC licensed activities. The submittal to the NRC will include: (1) an outline of the topics to be covered during the initial training and the refresher training sessions, (2) any procedure(s) that provide guidance on how the training program is conducted, and (3) details of the testing that will be conducted to evaluate the effectiveness of the training.

3. Training program requirements.

The contractor identified in C.1 will also make enhancements to QIT's established training program. The training procedures for the current employees, new employees and annual refresher training will be modified to include the following elements:

- a) A discussion of the NRC's policy statement on safety culture [76 FR 34773] and QIT management's support of that policy. Employees will be provided a copy of NUREG/BR-0500, "Safety Culture Policy Statement."
- b) Elements of willfulness discussed in Chapter 6 of the NRC Enforcement Manual, including examples of enforcement actions that the NRC has taken against individuals (publically available on the NRC's Web site).
- c) Potential criminal sanctions that the Department of Justice may take against individuals for deliberate misconduct.
- d) Requirements of 10 CFR 30.10, "Deliberate Misconduct," and 10 CFR 30.7 "Employee Protection."
- e) Instruction on the importance of understanding and following QIT's internal procedures and the regulatory requirements associated with radiographic operations.
- f) Discussion on when to suspend work activities and to verify whether specific circumstances call for implementing corrective actions and resuming work activities or stopping work activities in order to protect the health and safety of the workers and the public.

g) The importance of having the required documents (Operating & Emergency procedures, shipping papers, copies of regulations, etc.) with the radiography equipment when working at temporary jobsites.

4. Recordkeeping Requirements. QIT will maintain training records, including attendees and the test results for 5 years. The records will be available for NRC review when requested.

D. Revise Operating & Emergency (O&E) procedures.

Within 90 days of the issuance date of the Confirmatory Order, QIT will develop and submit to NRC for review and approval:

1. A procedure that provides details on how QIT management and the corporate RSO will provide oversight of the Regional RSO(s).
2. A security-related procedure that is discussed in the Appendix to the Order.
3. A procedure for various ways for employees to report concerns, including implementation of an open door policy.
4. A security-related provision that is discussed in the Appendix to the Order.

5. Audit records must be maintained for five years and include the following information:
date of audit, name of person conducting the audit, name of persons contacted by
auditor, audit findings, corrective actions and follow-up (if any).
- E. Within 30 days after QIT receives the NRC reviewed and approved procedures specified in sections C and D of the Order, QIT shall implement and comply with the approved procedures when performing work under NRC jurisdiction. The approved procedures and any subsequent procedural revisions will remain binding upon QIT when performing work under NRC jurisdiction for a period of 10 years from the date of the Confirmatory Order.
- F. Within 180 days of the date of the Confirmatory Order, the president of QIT must submit a paper for presentation at an NDT professional society meeting (national or local chapter), such as the Non-Destructive Testing Management Association (NDTMA) relating the actions that resulted in escalated enforcement and the corrective measures that QIT has taken or plans to take to prevent recurrence.
- G. Within 30 days of the date of the Confirmatory Order, QIT must pay a civil penalty of \$3,500. Payment must be made in accordance with payment methods described in NUREG/BR-0254, "Payment Methods". QIT will submit a statement indicating when and by what method payment was made to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, One White Flint North, 11555 Rockville Pike, Rockville, MD 20852-2738.

On August 8, 2012, the Licensee consented to issuing this Order with the commitments, as described in Section V below. Quality Inspection and Testing, Inc., further agreed that this Order is to be effective upon issuance and that it has waived its right to a hearing.

IV

Since Quality Inspection and Testing, Inc. (QIT), has agreed to take additional actions to address NRC concerns, as set forth in Section III above, the NRC has concluded that its concerns can be resolved through issuance of this Confirmatory Order.

I find that the QIT commitments as set forth in Section V are acceptable and necessary and conclude that with these commitments the public health and safety are reasonably assured. In view of the foregoing, I have determined that public health and safety require that the QIT commitments be confirmed by this Order. Based on the above and QIT's consent, this Confirmatory Order is immediately effective upon issuance.

V

Accordingly, pursuant to Sections 81, 161b, 161i, 161o, 182 and 186 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR 2.202 and 10 CFR Parts 20, 30, and 34, IT IS HEREBY ORDERED, EFFECTIVE IMMEDIATELY, THAT:

- A. Within 30 days of the date of the Confirmatory Order, QIT will issue a company policy statement to its employees regarding how unacceptable deliberate violations are, the importance of maintaining security over licensed material, and the ethics of complying with regulatory requirements. A copy of the policy statement will be provided to the NRC.
- B. Within 30 days of the date of the Confirmatory Order, the president of QIT will issue a personal letter to employees regarding his expectations in identifying and communicating concerns to management, as well as overall compliance with NRC regulations.
- C. QIT will enhance its training program for employees conducting radiographic operations. The goal of the changes is to conduct licensed operations safely and deter future deliberate violations by ensuring that employees (including licensee managers) understand the importance the NRC places on violations associated with deliberate misconduct and careless disregard. The program will consist of training for all current and newly hired employees performing licensed activities and provide for annual refresher training. QIT will complete the following activities in support of the training program:
 - 1. Training for current employees.
 - a) Within 60 days of the date of the Confirmatory Order, QIT will contract with an external contractor to assist in the development of a QIT training program regarding the NRC Enforcement process. The external contractor will work with a QIT management representative. This QIT training program will address all of the

elements in condition C.3 below and, at a minimum, the types of willful violations, the types of willfulness (careless disregard and deliberate misconduct), the potential criminal sanctions that the Department of Justice may take, and the potential enforcement sanctions that the NRC may take against employees who engage in deliberate misconduct. As discussed in Item C.1.d, the contractor will provide training to all QIT managers. The QIT management representative, who participated in the development of the program, will retain responsibility for providing training based on the program to all QIT employees who engage in NRC-licensed activities.

- b) At least 15 days before the time that QIT intends to execute the contract with the external contractor, QIT will submit for NRC review and approval, the resume of the contractor proposed to develop and perform the training described in Item C.1.a. above.
- c) At least 15 days prior to the start of training, but no later than 30 days after executing the contract with the external training contractor, QIT will submit for NRC review and approval an outline of the topics to be covered during the training session. The training will include the topics identified in Section C.3. of the Confirmatory Order.
- d) The training for managers will be completed within 60 days of the NRC's approval of the outline of the course topics. The training for managers will be provided by the external contractor. The training for current employees will be completed within 120 days of the NRC's approval of the outline of the course topics.

e) QIT will assess the effectiveness of the training through written testing. Any employee that does not pass the test will receive remedial training and be retested. Within 30 days of completing the training for all current employees, QIT will provide to the NRC: (1) a letter stating that the training as specified is complete and (2) the results of the employee testing process (such as total number of employees who took the training and whether any did not pass even after remedial training).

2. Training for new employees and annual refresher.

Within 120 days of the date of the Confirmatory Order, QIT will submit for NRC approval, the training program described in sections C.1 and C.3 along with associated procedure(s) that describe the initial training which must be provided to new employees who will be conducting NRC licensed activities and the annual refresher training that will be conducted for those employees who are performing NRC licensed activities. The submittal to the NRC will include: (1) an outline of the topics to be covered during the initial training and the refresher training sessions, (2) any procedure(s) that provide guidance on how the training program is conducted, and (3) details of the testing that will be conducted to evaluate the effectiveness of the training.

3. The contractor identified in section C.1 will also make enhancements to QIT's established training program. The training procedures for the current employees, new employees and annual refresher training will be modified to include the following elements:
 - a. A discussion of the NRC's policy statement of safety culture [76 FR 34773] and QIT management's support of that policy. Employees will be provided a copy of NUREG/BR-500, "Safety Culture Policy Statement."
 - b. Elements of willfulness discussed in Chapter 6 of the NRC Enforcement Manual including examples of enforcement actions that the NRC has taken against individuals (publically available on the NRC website).
 - c. Potential criminal sanctions that the Department of Justice may take against individuals for deliberate misconduct.
 - d. Requirements of 10 CFR 30.10, "Deliberate misconduct;" and 10 CFR 30.7, "Employee protection."
 - e. Instruction on the importance of understanding and following QIT's internal procedures and the regulatory requirements associated with radiographic operations.

- f. Discussion on when to suspend work activities and to verify whether specific circumstances call for implementing corrective actions and resuming work activities or stopping work activities in order to protect the health and safety of the workers and the public.
- g. The importance of having the required documents (Operating & Emergency procedures, shipping papers, copies of regulations, etc.) with the radiography equipment when working at temporary jobsites.

- 4. Recordkeeping Requirements. QIT will maintain training records, including attendees and the test results for 5 years. The records will be available for NRC review when requested.

D. Revise Operating & Emergency (O&E) procedures.

Within 90 days of the issuance date of the Confirmatory Order, QIT will develop and submit to NRC for review and approval procedures that address the following items:

- 1. A procedure that provided details on how QIT management and the corporate RSO will provide oversight of the Regional RSO(s).

2. This provision involves field audits of security requirements and contains security-related information which is described in the security-related Appendix to this Order (not publicly available).
 3. A procedure for various ways for employees to report concerns, including implementation of an open door policy.
 4. This provision discusses how field audits of security requirements are to be conducted and contains security-related information which is described in the security-related Appendix to this Order (not publicly available).
 5. A procedure that requires that audit records must be maintained for five years and include the following information: date of audit, name of person conducting the audit, name of persons contacted by the auditor, audit findings, corrective actions and follow-up (if any).
- E. Within 30 days after QIT receives the NRC reviewed and approved procedures specified in sections C and D, QIT shall implement and comply with the approved procedures when performing work under NRC jurisdiction. The approved procedures and any subsequent procedural revisions will remain binding upon QIT when performing work under NRC jurisdiction for a period of 10 years from the date of the confirmatory order.

- F. Within 180 days of the date of the Confirmatory Order, the president of QIT must submit a paper for presentation at an NDT professional society meeting (national or local chapter), such as the Non-Destructive Testing Management Association (NDTMA) relating the actions that resulted in escalated enforcement and the corrective measures that QIT has taken or plan to take to prevent recurrence. The president of QIT will provide NRC with a copy of the paper at the same time he submits it to an NDT professional society, by mailing the copy to: US NRC Region IV, ATTN: Director, Division of Nuclear Material Safety, 1600 Lamar Blvd, Arlington, Texas 76011.
- G. Within 30 days of the date of the Confirmatory Order, QIT must pay a civil penalty of \$3,500. Payment must be made in accordance with payment methods described in NUREG/BR-0254, "Payment Methods." QIT will submit a statement indicating when and by what method payment was made to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, One White Flint North, 11555 Rockville Pike, Rockville, MD 20852-2738.
- H. Unless otherwise specified, all documents required to be submitted to the NRC will be sent to: US NRC Region IV, ATTN: Director, Division of Nuclear Material Safety, 1600 Lamar Blvd, Arlington, Texas 76011.

The Regional Administrator, Region IV, may, in writing, relax or rescind any of the above conditions upon demonstration by Quality Inspection and Testing, Inc., of good cause.

VI

Any person adversely affected by this Confirmatory Order, other than Quality Inspection and Testing, Inc. (QIT), may request a hearing within 20 days of its publication in the *Federal Register*. Where good cause is shown, consideration will be given to extending the time to request a hearing. A request for extension of time must be made in writing to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555, and include a statement of good cause for the extension.

All documents filed in NRC adjudicatory proceedings, including a request for hearing, a petition for leave to intervene, any motion or other document filed in the proceeding prior to the submission of a request for hearing or petition to intervene, and documents filed by interested governmental entities participating under 10 CFR 2.315(c), must be filed in accordance with the NRC E-Filing rule (72 FR 49139, August 28, 2007). The E-Filing process requires participants to submit and serve all adjudicatory documents over the internet, or in some cases to mail copies on electronic storage media. Participants may not submit paper copies of their filings unless they seek an exemption in accordance with the procedures described below.

To comply with the procedural requirements of E-Filing, at least ten (10) days prior to the filing deadline, the participant should contact the Office of the Secretary by e-mail at hearing.docket@nrc.gov, or by telephone at (301) 415-1677, to request (1) a digital ID certificate, which allows the participant (or its counsel or representative) to digitally sign documents and access the E-Submittal server for any proceeding in which it is participating; and

Enclosure 1

(2) advise the Secretary that the participant will be submitting a request or petition for hearing (even in instances in which the participant, or its counsel or representative, already holds an NRC-issued digital ID certificate). Based upon this information, the Secretary will establish an electronic docket for the hearing in this proceeding if the Secretary has not already established an electronic docket.

Information about applying for a digital ID certificate is available on NRC's public Web site at <http://www.nrc.gov/site-help/e-submittals/apply-certificates.html>. System requirements for accessing the E-Submittal server are detailed in NRC's "Guidance for Electronic Submission," which is available on the agency's public Web site at <http://www.nrc.gov/site-help/e-submittals.html>. Participants may attempt to use other software not listed on the Web site, but should note that the NRC's E-Filing system does not support unlisted software, and the NRC Meta System Help Desk will not be able to offer assistance in using unlisted software.

If a participant is electronically submitting a document to the NRC in accordance with the E-Filing rule, the participant must file the document using the NRC's online, Web-based submission form. In order to serve documents through the Electronic Information Exchange (EIE), users will be required to install a Web browser plug-in from the NRC Web site. Further information on the Web-based submission form, including the installation of the Web browser plug-in, is available on the NRC's public Web site at <http://www.nrc.gov/site-help/e-submittals.html>.

Once a participant has obtained a digital ID certificate and a docket has been created, the participant can then submit a request for hearing or petition for leave to intervene. Submissions should be in Portable Document Format (PDF) in accordance with NRC guidance available on the NRC public Web site at <http://www.nrc.gov/site-help/e-submittals.html>. A filing is considered complete at the time the documents are submitted through the NRC's E-Filing system. To be timely, an electronic filing must be submitted to the E-Filing system no later than 11:59 p.m. Eastern Time on the due date. Upon receipt of a transmission, the E-Filing system time-stamps the document and sends the submitter an e-mail notice confirming receipt of the document. The E-Filing system also distributes an e-mail notice that provides access to the document to the NRC Office of the General Counsel and any others who have advised the Office of the Secretary that they wish to participate in the proceeding, so that the filer need not serve the documents on those participants separately. Therefore, applicants and other participants (or their counsel or representative) must apply for and receive a digital ID certificate before a hearing request/petition to intervene is filed so that they can obtain access to the document via the E-Filing system.

A person filing electronically using the agency's adjudicatory E-Filing system may seek assistance by contacting the NRC Meta System Help Desk through the "Contact Us" link located on the NRC Web site at <http://www.nrc.gov/site-help/e-submittals.html>, by e-mail at MSHD.Resource@nrc.gov, or by a toll-free call at (866) 672-7640. The NRC Meta System Help Desk is available between 8 a.m. and 8 p.m., Eastern Time, Monday through Friday, excluding government holidays.

Participants who believe that they have a good cause for not submitting documents electronically must file an exemption request, in accordance with 10 CFR 2.302(g), with their initial paper filing requesting authorization to continue to submit documents in paper format. Such filings must be submitted by: (1) first class mail addressed to the Office of the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemaking and Adjudications Staff; or (2) courier, express mail, or expedited delivery service to the Office of the Secretary, Sixteenth Floor, One White Flint North, 11555 Rockville Pike, Rockville, Maryland, 20852, Attention: Rulemaking and Adjudications Staff. Participants filing a document in this manner are responsible for serving the document on all other participants. Filing is considered complete by first-class mail as of the time of deposit in the mail, or by courier, express mail, or expedited delivery service upon depositing the document with the provider of the service. A presiding officer, having granted an exemption request from using E-Filing, may require a participant or party to use E-Filing if the presiding officer subsequently determines that the reason for granting the exemption from use of E-Filing no longer exists.

Documents submitted in adjudicatory proceedings will appear in NRC's electronic hearing docket which is available to the public at http://ehd.nrc.gov/EHD_Proceeding/home.asp, unless excluded pursuant to an order of the Commission, or the presiding officer. Participants are requested not to include personal privacy information, such as social security numbers, home addresses, or home phone numbers in their filings, unless an NRC regulation or other law requires submission of such information. With respect to copyrighted works, except for limited excerpts that serve the purpose of the adjudicatory filings and would constitute a Fair Use

application, participants are requested not to include copyrighted materials in their submission.

If a person (other than Quality Inspection and Testing, Inc.) requests a hearing, that person shall set forth with particularity the manner in which his interest is adversely affected by this Confirmatory Order and shall address the criteria set forth in 10 C.F.R. 2.309(d) and (f).

If a hearing is requested by a person whose interest is adversely affected, the Commission will issue an order designating the time and place of any hearing. If a hearing is held, the issue to be considered at such hearing shall be whether this Confirmatory Order should be sustained.

In the absence of any request for hearing, or written approval of an extension of time in which to request a hearing, the provisions specified in Section V above shall be final 20 days from the date this Confirmatory Order is published in the *Federal Register* without further order or proceedings. If an extension of time for requesting a hearing has been approved, the provisions specified in Section V shall be final when the extension expires if a hearing request has not been received.

A REQUEST FOR HEARING SHALL NOT STAY THE IMMEDIATE EFFECTIVENESS OF THIS ORDER.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Elmo E. Collins, Regional Administrator
NRC Region IV

Dated this 10th day of August 2012