

May 10, 2016
EN-16-010

OFFICE OF ENFORCEMENT
NOTIFICATION OF SIGNIFICANT ENFORCEMENT ACTION

| | | |
|--------------------|---|-----------|
| <u>Licensee:</u> | Novelis Corporation Fairmont, West Virginia | EA-15-213 |
| <u>Individual:</u> | Stephen Mick Engineering Reliability and Automation Manager Novelis Corporation | IA-15-079 |
| <u>Subject:</u> | NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTY - \$7,000 | |

This is to inform the Commission that a Notice of Violation and Proposed Imposition of a Civil Penalty in the amount of \$7,000 will be issued on or about May 13, 2016, to Novelis Corporation (licensee) for a Severity Level (SL) III violation. The violation involved a deliberate failure to restrict activities to those authorized by the NRC license. Specifically, on two occasions, the licensee repaired nuclear gauge components related to the radiological safety of the device, and these repair activities were specifically prohibited by conditions of its license.

Further, a Notice of Violation for a SL III violation will be issued to Stephen Mick, Engineering Reliability and Automation Manager (ERAM) of Novelis. Mr. Mick engaged in deliberate misconduct in violation of 10 CFR 30.10(a)(1) by deliberately directing the unauthorized repair of the nuclear gauge components.

The licensee was given the opportunity to: (1) respond in writing, (2) request a pre-decisional enforcement conference, or (3) participate in an alternate dispute resolution (ADR) mediation session. On March 8, 2016, the licensee provided a written response that acknowledged the violation occurred but disagreed that it was deliberate. The staff considered the licensee's response, but concluded that it did not change the NRC determination.

In accordance with the Enforcement Policy, a base civil penalty (CP) in the amount of \$3,500 was considered for a SL III violation. Because the violation was willful, the NRC considered whether credit was warranted for both *Identification* and *Corrective Action* in accordance with the civil penalty assessment process in Section 2.3.4 of the NRC Enforcement Policy. Identification credit was not warranted because the violation was identified by the NRC, but Corrective Action credit was warranted for corrective actions taken by the licensee. The corrective actions included the licensee: 1) hiring an authorized contractor to inspect and service the gauge; 2) transferring its licensed material to an authorized contractor for disposal; and 3) requesting termination of its NRC license. Because the licensee made a deliberate decision not to follow the NRC requirements for economic benefit, the staff doubled the proposed CP, consistent with the Enforcement Policy, to \$7,000 to emphasize the importance of compliance with NRC requirements.

It should be noted that the licensee has not been specifically informed of the enforcement action. The schedule of issuance and notification is:

Mailing of Notice
Telephone Notification of Licensee

May 13, 2016
May 13, 2016

The State of West Virginia will be notified.

CONTACTS: Leelavathi Sreenivas, OE/EB
301-415-1285

Nick Hilton, OE/EB
301-415-2741

DISTRIBUTION: EN-16-010, May 10, 2016

| | | | |
|--|--|--|---|
| Chairman Burns Comm. Svinicki Comm. Ostendorff Comm. Baran SECY OCA OPA OIP | EDO DEDR DEDMRT OE OGC NRR OI OIG | OCFO OIS RES ACRS NRO NMSS NSIR OP Center | <u>Regional Offices</u> RI RII RIII RIV <u>MAIL</u> ADAMS OE staff |
|--|--|--|---|

DISTRIBUTION:

OE R/F

PHolahan

EN Binder

ADAMS ACCESSION NO.: ML16131A232

| | | |
|---------------|------------|-----------|
| OFFICE | OE:ES | OE:BC |
| NAME | LSreenivas | NHilton |
| DATE | 5/4/2016 | 5/10/2016 |

OFFICIAL RECORD COPY