

January 11, 2018

Regional Administrator,  
U.S. Nuclear Regulatory Commission Region IV  
1600 E. Lamar Blvd.  
Arlington, TX 76011

**Subject: Answer to a Notice of Violation, (EA-17-101), according to 10CFR2.205**

Most importantly, we would like to express our appreciation and respect of the NRC's decisions and we understand the effects and potential effects of this event.

Therefore, Qal-Tek is not disputing the violation or severity. We do however feel that there is information and actions which are important in aligning perspectives and may support credit for identification and a reduction of the civil penalty. The credit given from the PEC did not provide Qal-Tek with any credit for identification. However, as we review the information and guidance given in the NRC Enforcement policy and the facts pertaining to this event, we feel there is merit for the reduction of the civil penalty for whole or partial credit for identification. As a result, we are requesting a reduction of the proposed civil penalty by 50%. Our request specifically addresses the following;

The civil penalty as related to the severity of the violations, and in accordance with the NRC Enforcement Policy 2.3.4 b.1., should normally consider the factors of identification and corrective action. As the violations meet the qualification of a SL II, the decision on identification includes evaluating factors identified in section 2.3.4 b.1. (a) through 2.3.4 b.1. (g). Specifically, in this event factors in support of credit for identification include;

- (a) The problem was identified by the licensee, through an event.
- (c) The problem was revealed as a result of a licensee self-monitoring effort. (i.e, package and shipment receiving inspection procedures/operations)
- (d) The problem was identified through an event with relatively easy discovery, but Qal-Tek took immediate and appropriate initiative in identifying the root cause of the problem and associated violations.

To further analyze 2.3.4 b. 2. (b), for violations "Identified through an event", "...if the event occurred as the result of conducting a surveillance or similar self-monitoring effort (i.e., the licensee was looking for the problem), the licensee should normally be given credit for identification. Even if the problem was easily discovered (e.g., revealed by a large spill of liquid), the NRC may choose to give credit because of noteworthy licensee effort was exerted in discovering the root cause and associated violations, or simply because no prior opportunities, for example, procedural cautions, post maintenance testing, quality control failures, readily observable parameter trends, or repeated or locked-in annunciator warnings existed to identify the problem."

- 1) The violation was identified through an event, placing it in accordance with Section 2.3.4 b. 2. (b).

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- 2) The event was discovered because of QTA's self-monitoring effort of proper package receiving operations
- 3) The violation was easily discoverable, however to meet the requirements for which the NRC may give credit include;
  - (a) Qal-Tek took appropriate and noteworthy effort in identifying appropriate and timely root cause analysis and corrective actions.
  - (b) There existed no procedural cautions or readily observable parameter trends (no prior incidents) existed to identify the problem. (This was identified as QTA's root cause.)
  - (c) Until such investigation and corrective actions were completed, Qal-Tek also took noteworthy action by eliminating all further similar work until a full investigation and corrective actions were completed.

Therefore, we interpret the above reference in the NRC Enforcement Policy to support our request for a reduction in the civil penalty for merit of identification. We certainly understand the severity of the event and as such have made significant corrective actions to prevent any future recurrence.

We have in addition, continued to expand our preventative and corrective actions to ensure similar failures are captured and prevented throughout QTA. These corrective actions include the root cause evaluation from both the NRC and Qal-Tek's investigations and are captured in the attached "Reply Letter to 10CFR2.201".

We hope our actions show our commitment and dedication to preventing recurrence of these shipping violations or any potential violation in the future by improving our safety culture, training, procedures and ability to self-identify issues before they threaten the public, workers, environment or national security.

Please inquire if further information is needed.

Sincerely,



Travis Snowden, President/CEO



Bryce Rich, CHP, RSC Chair



Michael Albanese, Corporate RSO