

January 9, 1997

Docket No. 030-20683
EA No. 96-498

License No. 37-20657-01

Mr. Hugh Madden
Vice President of Operations
Koppel Steel Corporation
P.O. Box 750
Beaver Falls, Pennsylvania 15010

SUBJECT: INVESTIGATION REPORT NO. 1-96-021 AND PREDECISIONAL
ENFORCEMENT CONFERENCE

Dear Mr. Madden:

This refers to the investigation conducted by the NRC Office of Investigations (OI) Field Office, Region I. The purpose of the OI investigation was to determine if the Radiation Safety Officer at the Koppel Steel facility in Koppel, Pennsylvania, was discriminated against by having his employment terminated for providing information to an NRC inspector. A redacted copy of the investigation report is enclosed (Enclosure 1). The report was redacted to exclude information which is required to be protected by the Privacy Act. The redaction does not affect the conclusion of the report. The exhibits to the report are not included.

Based on the findings of this investigation, apparent violations were identified and are being considered for escalated enforcement action against Koppel Steel Corporation in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600 (Enclosure 2). The apparent violations include: 1) 10 CFR 30.7 (Employee protection) which prohibits discrimination by a licensee against an employee for engaging in certain protected activities; and 2) 10 CFR 30.10 (Deliberate misconduct) which prohibits any employee of any licensee who knowingly provides to any licensee, services that relate to a licensee's activities from deliberate misconduct that causes the licensee to be in violation of any rule, regulation, or order of any term, condition, or limitation of any license issued by the Commission. The investigation substantiated that the Radiation Safety Officer was discriminated against by Koppel Steel Corporation management.

Accordingly, no Notice of Violation is presently being issued for these investigation findings. In addition, please be advised that the number and characterization of apparent violations described in the enclosed investigation synopsis may change as a result of further NRC review. A copy of 10 CFR Part 30 is enclosed (Enclosure 3).

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H. Madden
Koppel Steel Corp.

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In accordance with discussions between Mr. James M. Barger, Director, Human Resources and Ms. Jenny M. Johansen of this office on January 8, 1997, a predecisional enforcement conference to discuss these apparent violations, which will be transcribed and closed to public observation, has been scheduled for February 12, 1997, at 10:00 a.m., at our Region I Office in King of Prussia, Pennsylvania. It is our understanding that Messrs. Barger, Drogus, Schlaegle and Kilker will be attending the conference. We also wish to confirm that your former RSO has also been given the opportunity to attend this conference. A copy of this letter and its enclosures have been forwarded to your former RSO. Directions to our King of Prussia office are enclosed (Enclosure 4).

The decision to hold a predecisional enforcement conference does not mean that the NRC has determined that a violation has occurred or that enforcement action will be taken. This conference is being held to obtain information to enable the NRC to make an enforcement decision, such as a common understanding of the facts, root causes, missed opportunities to identify the apparent violation sooner, corrective actions, significance of the issues and the need for lasting and effective corrective action.

In particular, we expect you to discuss the actions you have already taken or plan to take to assure that this matter is not having a chilling effect on the willingness of other employees to raise safety and compliance concerns within your organization and, as discussed in the enclosed NRC Form 3, to the NRC.

In addition, this is an opportunity for you to provide any information concerning your perspectives on 1) the severity of the violations, 2) the application of the factors that the NRC considers when it determines the amount of a civil penalty that may be assessed in accordance with Section VI.B.2 of the Enforcement Policy, and 3) any other application of the Enforcement Policy to this case, including the exercise of discretion in accordance with Section VII.

You will be advised by separate correspondence of the results of our deliberations on this matter. No response regarding these apparent violations is required at this time.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and enclosures will be placed in the NRC Public Document Room.

Your cooperation with us is appreciated.

Sincerely,

~~original signed by~~ F. Costello for:

Charles W. Hehl, Director
Division of Nuclear Materials Safety

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Enclosures:

1. Investigation Report No. 1-96-021
2. NUREG 1600 (Enforcement Policy)
3. 10 CFR Part 30
4. Directions to Region I Office
5. NRC Form 3

cc w/enclosure (1):
Commonwealth of Pennsylvania

H. Madden
Koppel Steel Corp.

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