

June 29, 2005
EN-05-019

OFFICE OF ENFORCEMENT
NOTIFICATION OF SIGNIFICANT ENFORCEMENT ACTION

Licensee: J. L. Shepherd & Associates (EA-01-164)
San Fernando, CA 91340-1822
Docket No. 071-0122

Subject: CONFIRMATORY ORDER RESCINDING ORDER ISSUED JUNE 3, 2001, AND
IMPOSING NEW CONDITIONS

This is to inform the Commission that a Confirmatory Order, Effective Immediately, will be issued on or about June 29, 2005, to J. L. Shepherd & Associates (JLS&A), rescinding an immediately effective Order issued by the NRC on July 3, 2001 (July 2001 Order) which withdrew approval of JLS&A's Quality Assurance (QA) Program for failure to comply with NRC requirements. This action is being taken in response to JLS&A's April 7, 2005, request to rescind the July 2001 Order, and is based on the staff's review of the following salient facts: (1) JLS&A has completed all of the elements of its Near-Term Corrective Action Plan; (2) JLS&A has demonstrated, on multiple occasions after relaxation of the July 2001 Order, that it can safely transport Type B radioactive shipments in both DOT Specification 20WC overpacks and NRC-approved CoC packages under their new NRC-approved QA program; and, (3) although minor program implementation deficiencies were found during Spent Fuel Project Office inspections in 2003 and again in 2004, these findings were of lower safety significance and none were of a severity level comparable to the original findings which fostered the issuance of the July 2001 Order.

JLS&A has requested and been granted interim relief from the July 2001 Order several times, including JLS&A's most recent request for interim relief. Based on that request and a showing of good cause, the NRC issued a Confirmatory Order, dated May 30, 2003, that allowed JLS&A to make shipments through June 1, 2005, and expanded JLS&A's shipment authorization for transportation packaging. The Staff issued an additional Order on June 1, 2005, to extend this relaxation until July 1, 2005, while the Staff completed its review of JLS&A's April 7th request. In addition to removing previous restrictions on JLS&A's participation in activities involving the packaging and transportation of radioactive material, the current Order contains five additional conditions that JLS&A has agreed to implement for a period of one year or until four successive quarterly reports performed by an Independent Auditor, whichever is longer, show continued effective implementation of the JLS&A QA Program.

The schedule of issuance and notification is:

Mailing of Confirmatory Order	June 29, 2005
Telephone Notification of Licensee	June 29, 2005

The State of California will be notified.

Contacts: M. Schwartz, OE, 415-1888 C. Nolan, OE, 415-3360

Distribution:

OWFN
Chairman Diaz
Comm. McGaffigan
Comm. Merrifield
Comm. Lyons
Comm. Jaczko

SECY
OCA
PA
IP

OWFN
EDO
DEDR
DEDE
OE
OGC
NRR
NSIR
OI
SP

TWFN
OCFO
OP CENTER
NMSS
OIG
OCIO
RES
ACRS

Regional Offices

RI RII
RIII RIV

MAIL
ADAMS

ADAMS ML051800246

Document Name: E:\Filenet\ML051800246.wpd

☐ Publicly Available

☐ Non-Publicly Available

☐ Sensitive

☐ Non-Sensitive

OFC	OE	C	OE	
NAME	MSchwartz		CNolan	
DATE	06/28/05		06/29/05	

**PRELIMINARY INFORMATION - NOT FOR PUBLIC DISCLOSURE UNTIL
VERIFICATION THAT LICENSEE HAS RECEIVED ACTION**