

October 24, 2006
EN 06-016A

OFFICE OF ENFORCEMENT
NOTIFICATION OF SIGNIFICANT ENFORCEMENT ACTION

Licensee: H&G Inspection Company, Inc. (EA-06-021)
Houston, Texas 77074
Docket No. 030-29319

Subject: CONFIRMATORY ORDER (EFFECTIVE IMMEDIATELY)

This is to inform the Commission that a Confirmatory Order confirming commitments reached as part of an alternative dispute resolution (ADR) mediation settlement agreement will be issued today, October 24, 2006, to H&G Inspection Company, Inc.(H&G). The licensee requested ADR following the NRC's May 1, 2006, Notice of Violation and proposed civil penalty of \$6,500 for a willful violation involving a failure to block and brace a radiographic exposure device during transport (10 CFR 71.5(a) and 49 CFR 177.842). Two other Severity Level III violations were included in the Notice of Violation but did not involve a civil penalty: (A) a failure to control and maintain constant surveillance of licensed material in an unrestricted area (10 CFR 20.1802); (B) a failure to have a second qualified individual observe radiographic operations (10 CFR 34.41(a)).

The ADR mediation session was held on August 24, 2006. Based on that session, the licensee and the NRC reached a settlement agreement. In summary, the licensee agreed that the three violations cited in the May 1, 2006, Notice of Violation did occur, and that willfulness was involved with the failure to block and brace a radiographic exposure device. The NRC recognized that H&G took comprehensive corrective actions that it will continue to implement. H&G has agreed to implement a management review and oversight program that will include training of supervisors, audits of the program, and unannounced performance observations by senior corporate officials at each of its field offices twice per year. In addition, within one year, H&G will write and submit an article (for publication by both the American Society of Non-Destructive Testing (ASNT) and the Non-Destructive Testing Managers Association (NDTMA)) that will address the new H&G management oversight program and the value it adds to overall safe and effective operations.

In recognition of H&G's extensive corrective actions, the NRC agreed to reduce the civil penalty originally proposed to \$500.

The schedule of notification and issuance:

Mailing of Notice	October 24, 2006
Telephone Notification of Licensee	October 24, 2006

The States of Texas and Wyoming will be notified.

Contacts: Sally Merchant, OE, 415-2747; David Solorio, OE, 415-2741

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

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