



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION II
245 PEACHTREE CENTER AVENUE, SUITE 1200
ATLANTA, GEORGIA 30303-1257

April 26, 2010

EA-09-272

Mr. Charles Perkins
Site Manager
AREVA NP, Inc.
2101 Horn Rapids Road
Richland, WA 99352-0130

**SUBJECT: CONFIRMATORY ORDER (EFFECTIVE IMMEDIATELY)
[NRC OFFICE OF INVESTIGATION REPORT NO. 2-2009-025]**

Dear Mr. Perkins:

The enclosed Confirmatory Order (Effective Immediately) is being issued to AREVA NP, Inc. (AREVA), as a result of a successful alternative dispute resolution (ADR) session. The enclosed commitments were made by AREVA as part of a settlement agreement involving an employee who willfully violated a facility procedure by defeating the function of an Item Relied On For Safety (IROFS) on April 21, 2009.

In a letter dated January 6, 2010, the Nuclear Regulatory Commission (NRC) provided AREVA the results of an investigation completed by the NRC's Office of Investigations (OI). The purpose of the investigation, in part, was to determine whether an employee willfully defeated the function of an IROFS and to review the facts and circumstances of operability and availability of the IROFS. A Factual Summary of the OI investigation was enclosed with our letter which documented the NRC's conclusion that on April 21, 2009, IROFS 1111, an electronic eye sensor known as the vacuum wand interlock, was deliberately bypassed by an employee and made to work by using tape. These actions violated Standard Operating Procedure 40486, "Richland Operations General Rules," Version 16.0, Section 7.0. As a result, IROFS 1111 was not available and reliable as required by 10 CFR 70.61(e).

In addition, our letter of January 6, 2010, offered AREVA a choice to either: (1) attend a Predecisional Enforcement Conference; (2) provide a written response; or (3) request alternative dispute resolution (ADR) with the NRC in an attempt to resolve any disagreement regarding whether violations occurred, the appropriate enforcement action, and the appropriate corrective actions.

In response, AREVA requested ADR in an attempt to resolve the issue. An ADR mediation session was held on March 9, 2010, and a preliminary settlement was reached. The elements of the preliminary agreement were formulated and agreed upon at the mediation session and are documented in the enclosed Confirmatory Order.

As discussed in the enclosed Confirmatory Order, AREVA completed a number of corrective actions to preclude recurrence and agreed to other corrective actions and enhancements, including communicating the underlying facts of the incident and lessons learned, internally and to all U.S. AREVA Special Nuclear Materials licensed facilities within the AREVA fuels organization.

In consideration of the above, the NRC agreed to refrain from issuing a Notice of Violation or other enforcement action for the matters discussed in the NRC's letter to AREVA dated January 6, 2010, (EA-09-272). We will evaluate the implementation of your commitments during future inspections.

We have enclosed a Confirmatory Order (Effective Immediately) to memorialize the commitments made as part of the settlement agreement. As evidenced by your signed "Consent and Hearing Waiver Form" (copy enclosed) dated April 14, 2010, you agreed to issuance of this letter and Confirmatory Order.

Pursuant to Section 223 of the Atomic Energy Act of 1954, as amended, any person who willfully violates, attempts to violate, or conspires to violate, any provision of this Order shall be subject to criminal prosecution as set forth in that section. Violation of this Order may also subject the person to civil monetary penalties.

You are not required to respond to this letter. However, if you choose to provide a response, please provide it to me within 30 days at NRC Region II, ATTN: Regional Administrator, 245 Peachtree Center Avenue, Suite 1200, Atlanta, Georgia 30303-1257.

A copy of this letter and its enclosures will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. The NRC will also include this letter, and the attached Confirmatory Order, on its website at www.nrc.gov; select Public Meetings and Involvement, then Enforcement. Your response, if you choose to provide one, will also be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS).

If you have any questions or comments concerning this letter, please contact Mr. Joseph Shea, Director, Division of Fuel Facility Inspection, at 404-562-4700.

Sincerely,

/RA/ V. McCree for

Luis A. Reyes
Regional Administrator

Docket No.: 70-1257
License No.: SNM-1227

Enclosures:

1. Confirmatory Order
2. Consent and Hearing Waiver Form

cc w/encls.:
Robert E. Link, Manager
Environmental, Health, Safety & Licensing
Areva NP, Inc.
2101 Horn Rapids Road
Richland, Washington 99352

Distribution w/encls:

R. Borchardt, OEDO
 M. Virgilio, OEDO
 B. Mallett, OEDO
 D. Dorman, NMSS
 C. Scott, OGC
 J. Wray, OE
 R. Zimmerman, OE
 E. Julian, SECY
 B. Keeling, OCA
 Enforcement Coordinators
 RI, RIII, RIV
 E. Hayden, OPA
 C. McCrary, OI
 H. Bell, OIG
 R. Wharton, NMSS
 L. Reyes, RII
 V. McCree, RII
 J. Shea, RII
 C. Evans, RII
 S. Sparks, RII
 D. Rich, RII
 R. Hannah, RII
 J. Ledford, RII
 R. Trojanowski, RII
 OEMAIL
 OEWEB
 PUBLIC

X PUBLICLY AVAILABLE NON-PUBLICLY AVAILABLE SENSITIVE X NON-SENSITIVE
 ADAMS: X Yes ACCESSION NUMBER: _____

OFFICE	RII:ORA	RII:DFFI		RII:ORA		
SIGNATURE		JS 3/10/10		VM 4/23/10		
NAME	CEVANS	JSHEA		VMCCREE		
DATE	3/ /10	3/ /09		4/ /10		
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO
OFFICE	OGC	NMSS	OE			
SIGNATURE	Email	Email	Email			
NAME	M. Simon	P. Habighorst	J. Wray			
DATE	4/ 9 /10	3/ 18 /10	4/12 /10			
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YESNO	YESNO

OFFICIAL RECORD COPY DOCUMENT NAME: