

**UNITED STATES OF AMERICA  
NUCLEAR REGULATORY COMMISSION**

<b>In the Matter of</b>	)	<b>Docket No. 04003392</b>
	)	<b>License No. SUB-526</b>
	)	
<b>HONEYWELL INTERNATIONAL INC.</b>	)	<b>EA-14-114</b>

**CONFIRMATORY ORDER MODIFYING LICENSE  
(EFFECTIVE IMMEDIATELY)**

I.

Honeywell International Inc. (Honeywell or Licensee) is the holder of Materials License No. SUB-526, issued by the U. S. Nuclear Regulatory Commission (NRC or Commission) pursuant to Title 10 of the Code of Federal Regulations (10 CFR) Part 40 on May 11, 2007, and Materials License Nos. 12-15023-02E and 15-19986-01E, issued by the NRC pursuant to 10 CFR Part 30 on September 7, 2012 and October 2, 2014, respectively. The licenses authorize the operation of Honeywell's Metropolis, Illinois, facility; and specific licenses for exempt distribution of byproduct material at Honeywell's St. Charles, Illinois; and Olathe, Kansas facilities in accordance with conditions specified therein

This confirmatory order (Order) is the result of an agreement reached during an alternative dispute resolution (ADR) mediation session conducted on December 9, 2014.

II.

On May 29, 2013, the NRC Office of Investigations (OI) initiated an investigation to determine whether a contractor at Honeywell's Metropolis, Illinois facility, Bluestone, LLC

(Bluestone), terminated one of its employees for, in part, notifying both Honeywell and Bluestone of a safety concern. The investigation was completed on May 15, 2014, and was documented in OI Report No. 2-2013-030. Based upon evidence developed during its investigation, the NRC identified an apparent violation of 10 CFR 40.7, "Employee protection," involving a former Bluestone employee who was terminated for, in part, notifying both Honeywell and Bluestone that the employee smelled alcohol on the employee's immediate supervisor's breath onsite and during duty hours. By letter dated September 26, 2014, the NRC identified to Honeywell the apparent violation of 10 CFR 40.7, "Employee protection," and offered Honeywell the opportunity to provide a response in writing, attend a pre-decisional enforcement conference, or to request alternative dispute resolution (ADR) in which a neutral mediator with no decision-making authority would facilitate discussions between the NRC and Honeywell and, if possible, assist the NRC and Honeywell in reaching an agreement on resolving the matter.

In response to the NRC's letter, Honeywell chose to participate in ADR. On December 9, 2014, the NRC and Honeywell met in an ADR session mediated by a professional mediator, arranged through Cornell University's Institute on Conflict Resolution. During that ADR session, a preliminary settlement agreement was reached, and this Order is issued pursuant to that agreement.

### III.

The NRC acknowledges that Bluestone no longer provides services as a contractor at Honeywell's Metropolis, IL facility.

During the ADR mediation session, a preliminary settlement agreement was reached. The elements of the agreement, as signed by both parties, consisted of the following:

1. Communication:

Conducting presentations by senior Honeywell managers to inform Honeywell's employees and the employees of Honeywell's contractors of Honeywell's policy regarding raising employee concerns and management treatment of such concerns.

2. Training:

Presenting training regarding raising safety concerns, addressing safety issues, and management response to employee concerns.

3. Work Process:

Modifying existing processes and developing new processes that provide for ongoing management support for employee protection requirements.

4. Policy Guidance:

Reviewing and updating Honeywell's Safety Conscious Work Environment (SCWE) policy and incorporating applicable aspects of NRC's Safety Culture Policy, as appropriate.

5. Enforcement Consideration:

During the ADR process, Honeywell neither admitted nor denied that a violation occurred. This confirmatory order therefore should not be used as evidence that a violation in fact occurred or that Honeywell agrees that a violation occurred. The NRC will refrain from issuing a Notice of Violation or proposing a civil penalty for all matters discussed in the NRC's letter of September 26, 2014 (EA-14-114).

On February 26, 2015, Honeywell consented to issuing this Order with the commitments described in Section V below. Honeywell further agreed that this Order is to be effective upon issuance and that it has waived its right to a hearing.

#### IV.

Since Honeywell has agreed to take additional actions to address NRC concerns, as set forth below in Section V, the NRC has concluded that its concerns can be resolved through the effective implementation of Honeywell's commitments.

I find that Honeywell's commitments as set forth in Section V are acceptable and necessary and conclude that with these commitments the public health and safety are reasonably assured. In view of the foregoing, I have determined that public health and safety require that Honeywell's commitments be confirmed by this Order. Based on the above and Honeywell's consent, this Confirmatory Order is immediately effective upon issuance.

#### V.

Accordingly, pursuant to Sections 81, 161b, 161i, 161o, 182 and 186 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR 2.202 and 10 CFR Parts 30 and 40, IT IS HEREBY ORDERED, EFFECTIVE IMMEDIATELY, THAT LICENSE NOS. SUB-526, 12-15023-02E, and 15-19986-01E ARE MODIFIED AS FOLLOWS:

**Note:** Except as otherwise indicated, the terms in Section V apply only to Honeywell's facility in Metropolis, Illinois. Any reference to Honeywell employees and supervisors includes all

Honeywell and contractor employees and supervisors working at Honeywell's facility in Metropolis, Illinois. Any reference to "Supervisor" shall mean: a) Honeywell salaried exempt employees, and b) first line contractor supervisors and above.

A. Communication.

1. By no later than sixty (60) calendar days after the issuance of this confirmatory order (Order), one or more members of Honeywell's management, at a level at least equal to the Plant Manager at Honeywell's Metropolis, Illinois facility, will issue site-wide written communication to all employees at the Honeywell's Metropolis facility and to all personnel engaged in NRC-regulated activities at the Olathe Service Center (Olathe, Kansas) and System Sensor (St. Charles, Illinois) facilities, reinforcing Honeywell's commitment to maintaining a safety conscious work environment (SCWE) and reaffirming Honeywell's insistence upon the protection of employees' right and obligation to raise safety issues.
2. By no later than ninety (90) calendar days after the issuance of this Order, Honeywell shall communicate its SCWE policy to Honeywell employees at Honeywell's Metropolis, Illinois facility in one or more all-hands meetings, providing employees with the opportunity to ask questions in a live forum.
3. By no later than ninety (90) calendar days after the issuance of this Order, Honeywell shall place posters in strategic areas throughout Honeywell Metropolis, Illinois facility to promote SCWE and inform employees of avenues available to employees to raise concerns including the NRC.

4. By no later than ninety (90) calendar days after the issuance of this Order, Honeywell shall develop and distribute pocket-sized cards that discuss avenues available to employees to raise concerns including the NRC. Honeywell shall distribute these cards to all employees at Honeywell's Metropolis, Illinois facility, and to all personnel engaged in NRC regulated activities at the Olathe Service Center (Olathe, Kansas) and System Sensor (St. Charles, Illinois) facilities.
5. By no later than one (1) year after the issuance of this Order, a Honeywell representative shall provide a presentation at a public forum about Honeywell's SCWE policy and its compliance program relating to the NRC's Employee Protection Rule.

B. Training.

1. Honeywell shall review its existing general employee training to ensure coverage of NRC's Employee Protection Rule (10 CFR 40.7). The training will include insights from the underlying matter and SCWE, case studies, and behavioral observation. This review will be completed and documented within one hundred twenty (120) calendar days of the issuance of this Order. If this review reveals a need to revise the general employee training, Honeywell shall make the appropriate revisions within one hundred eighty (180) calendar days of the issuance of this Order.
2. By no later than one hundred eighty (180) calendar days after the issuance of this Order, Honeywell shall develop initial SCWE training for all employees and behavioral observation supervisor training to include discussion of the NRC's Employee Protection Rule, case studies and table top role playing. This will be

- included in any return-to-work training for all employees and in all new supervisor training. Honeywell shall provide annual refresher training for Honeywell supervisors after the initial training. Honeywell shall use a training instructor (internal or external) with expertise in SCWE and NRC regulations to conduct such training.
3. By no later than one hundred eighty (180) calendar days after the issuance of this Order, Honeywell shall modify its existing B-council training to include behavioral observation and SCWE topics twice every twelve (12) months.
  4. By no later than two hundred seventy (270) calendar days after the issuance of this Order, Honeywell shall develop and provide biennial SCWE and behavioral observation training for employees to include case studies and the NRC's Employee Protection Rule (10 CFR 40.7). Honeywell shall use a training instructor (internal or external) with expertise in SCWE and NRC regulations for such training. This training shall be included in the new employee training.
  5. By no later than two hundred seventy (270) calendar days after the issuance of this Order, Honeywell shall develop and provide initial SCWE training for all personnel engaged in NRC-regulated activities at the Metropolis, IL, Olathe Service Center (Olathe, Kansas) and System Sensor (St. Charles, Illinois) facilities to include the NRC's Employee Protection Rule (10 CFR 30.7). Honeywell shall provide annual refresher training after the initial training. Honeywell shall use a training instructor (internal or external) with expertise in SCWE and NRC regulations to conduct such training.

C. Work Process.

1. By no later than ninety (90) calendar days after the issuance of this Order, Honeywell shall modify the Incident Tracking and Corrective Action (ITCA) process to accept anonymous submissions from employees. Honeywell shall update the ITCA procedure on checking, processing and addressing any concerns. In case of non-anonymous submissions, employees may request a copy of the submission as entered into the ITCA.
2. By no later than ninety (90) calendar days after the issuance of this Order, Honeywell shall establish a procedure to include guidance on monitoring and processing concerns and informing management of concerns received through the Honeywell SCWE hotline.
3. By no later than one hundred twenty (120) calendar days after the issuance of this Order, Honeywell shall develop and include a provision in any new or renewed agreements with its contractors that expressly highlights the contractor's obligation to comply with the applicable NRC Employee Protection Rule (10 CFR 40.7).
4. By no later than one hundred twenty (120) calendar days after the issuance of this Order, Honeywell shall ensure that new and renewed contracts entered into by Honeywell require contractors, when any formal adverse action is taken against a contractor employee at the Metropolis, Illinois facility (*i.e.*, terminations, suspensions and written reprimands) to certify that the formal adverse action was not taken for reasons prohibited by the NRC's Employee Protection Rule (10 CFR 40.7).



5. By no later than one hundred twenty (120) calendar days after the issuance of this Order, Honeywell shall modify the Honeywell Designated Representative (HDR) procedure to require the HDR to periodically inquire about any concerns raised through a contractor's concerns resolutions program that have not been submitted to any of Honeywell's concerns resolution avenues. The HDR shall enter such concerns in Honeywell's ITCA system as appropriate.
  
6. By no later than one hundred twenty (120) calendar days after the issuance of this Order, Honeywell shall develop and implement a procedure for behavioral observation activities.

D. Policy Guidance.

1. By no later than ninety (90) calendar days after the issuance of this Order, Honeywell shall review and update Honeywell's SCWE policy and incorporate into the SCWE policy the applicable aspects of the NRC's Safety Culture Policy statement as appropriate.

In the event of the transfer of the operating license of an applicable Honeywell facility to another entity, the commitments for such facility shall survive any transfer of ownership.

The Director, Office of Enforcement, may, in writing, relax or rescind any of the above conditions upon demonstration by Honeywell of good cause.

In consideration for the actions and/or initiatives that Honeywell agrees to undertake, as outlined above, the NRC agrees not to pursue any further enforcement action based on the

notice of apparent violation of employee protection requirements (Case no. EA-14-114, Office of Investigations report No. 2-2013-030), dated May 15, 2014.

## VI.

Any person adversely affected by this Confirmatory Order, other than Honeywell International Inc., may request a hearing within 30 days of its publication in the Federal Register. Where good cause is shown, consideration will be given to extending the time to request a hearing. A request for extension of time must be made in writing to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555, and include a statement of good cause for the extension.

All documents filed in NRC adjudicatory proceedings, including a request for hearing, a petition for leave to intervene, any motion or other document filed in the proceeding prior to the submission of a request for hearing or petition to intervene, and documents filed by interested governmental entities participating under 10 CFR 2.315(c), must be filed in accordance with the NRC E-Filing rule, 10 CFR 2.301. The E-Filing process requires participants to submit and serve all adjudicatory documents over the internet, or in some cases to mail copies on electronic storage media. Participants may not submit paper copies of their filings unless they seek an exemption in accordance with the procedures described below.

To comply with the procedural requirements of E-Filing, at least ten (10) days prior to the filing deadline, the participant should contact the Office of the Secretary by e-mail at [hearing.docket@nrc.gov](mailto:hearing.docket@nrc.gov), or by telephone at (301) 415-1677, to request (1) a digital ID certificate, which allows the participant (or its counsel or representative) to digitally sign

documents and access the E-Submittal server for any proceeding in which it is participating; and (2) advise the Secretary that the participant will be submitting a request or petition for hearing (even in instances in which the participant, or its counsel or representative, already holds an NRC-issued digital ID certificate). Based upon this information, the Secretary will establish an electronic docket for the hearing in this proceeding if the Secretary has not already established an electronic docket.

Information about applying for a digital ID certificate is available on NRC's public Web site at <http://www.nrc.gov/site-help/e-submittals/apply-certificates.html>. System requirements for accessing the E-Submittal server are detailed in NRC's "Guidance for Electronic Submission," which is available on the agency's public Web site at <http://www.nrc.gov/site-help/e-submittals.html>. Participants may attempt to use other software not listed on the Web site, but should note that the NRC's E-Filing system does not support unlisted software, and the NRC Meta System Help Desk will not be able to offer assistance in using unlisted software.

If a participant is electronically submitting a document to the NRC in accordance with the E-Filing rule, the participant must file the document using the NRC's online, Web-based submission form. In order to serve documents through the Electronic Information Exchange (EIE), users will be required to install a Web browser plug-in from the NRC Web site. Further information on the Web-based submission form, including the installation of the Web browser plug-in, is available on the NRC's public Web site at <http://www.nrc.gov/site-help/e-submittals.html>.

Once a participant has obtained a digital ID certificate and a docket has been created, the participant can then submit a request for hearing or petition for leave to intervene.

Submissions should be in Portable Document Format (PDF) in accordance with NRC guidance available on the NRC public Web site at <http://www.nrc.gov/site-help/e-submittals.html>. A filing is considered complete at the time the documents are submitted through the NRC's E-Filing system. To be timely, an electronic filing must be submitted to the E-Filing system no later than 11:59 p.m. Eastern Time on the due date. Upon receipt of a transmission, the E-Filing system time-stamps the document and sends the submitter an e-mail notice confirming receipt of the document. The E-Filing system also distributes an e-mail notice that provides access to the document to the NRC Office of the General Counsel and any others who have advised the Office of the Secretary that they wish to participate in the proceeding, so that the filer need not serve the documents on those participants separately. Therefore, applicants and other participants (or their counsel or representative) must apply for and receive a digital ID certificate before a hearing request/petition to intervene is filed so that they can obtain access to the document via the E-Filing system.

A person filing electronically using the agency's adjudicatory E-Filing system may seek assistance by contacting the NRC Meta System Help Desk through the "Contact Us" link located on the NRC Web site at <http://www.nrc.gov/site-help/e-submittals.html>, by e-mail at [MSHD.Resource@nrc.gov](mailto:MSHD.Resource@nrc.gov), or by a toll-free call at (866) 672-7640. The NRC Meta System Help Desk is available between 8 a.m. and 8 p.m., Eastern Time, Monday through Friday, excluding government holidays.

Participants who believe that they have a good cause for not submitting documents electronically must file an exemption request, in accordance with 10 CFR 2.302(g), with their initial paper filing requesting authorization to continue to submit documents in paper format. Such filings must be submitted by: (1) first class mail addressed to the Office of the Secretary of

the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemaking and Adjudications Staff; or (2) courier, express mail, or expedited delivery service to the Office of the Secretary, Sixteenth Floor, One White Flint North, 11555 Rockville Pike, Rockville, Maryland, 20852, Attention: Rulemaking and Adjudications Staff. Participants filing a document in this manner are responsible for serving the document on all other participants. Filing is considered complete by first-class mail as of the time of deposit in the mail, or by courier, express mail, or expedited delivery service upon depositing the document with the provider of the service. A presiding officer, having granted an exemption request from using E-Filing, may require a participant or party to use E-Filing if the presiding officer subsequently determines that the reason for granting the exemption from use of E-Filing no longer exists.

Documents submitted in adjudicatory proceedings will appear in NRC's electronic hearing docket, which is available to the public at <http://ehd1.nrc.gov/ehd>, unless excluded pursuant to an order of the Commission, or the presiding officer. Participants are requested not to include personal privacy information, such as social security numbers, home addresses, or home phone numbers in their filings, unless an NRC regulation or other law requires submission of such information. With respect to copyrighted works, except for limited excerpts that serve the purpose of the adjudicatory filings and would constitute a Fair Use application, participants are requested not to include copyrighted materials in their submission.

If a person other than Honeywell requests a hearing, that person shall set forth with particularity the manner in which his interest is adversely affected by this Confirmatory Order and shall address the criteria set forth in 10 C.F.R. 2.309(d) and (f).

If a hearing is requested by a person whose interest is adversely affected, the

Commission will issue an order designating the time and place of any hearing. If a hearing is held, the issue to be considered at such hearing shall be whether this Confirmatory Order should be sustained.

In the absence of any request for hearing, or written approval of an extension of time in which to request a hearing, the provisions specified in Section V above shall be final 20 days from the date this Confirmatory Order is published in the Federal Register without further order or proceedings. If an extension of time for requesting a hearing has been approved, the provisions specified in Section V shall be final when the extension expires if a hearing request has not been received.

A REQUEST FOR HEARING SHALL NOT STAY THE IMMEDIATE EFFECTIVENESS OF THIS ORDER.

Dated at Rockville, Maryland, this 11<sup>th</sup> day of March, 2015.

For the Nuclear Regulatory Commission.

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Patricia K. Holahan, Director  
Office of Enforcement