



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION I
2100 RENAISSANCE BLVD., SUITE 100
KING OF PRUSSIA, PA 19406-2713

September 29, 2015

Docket No. 030-37220
EA-15-134

License No. NY-1391-1811
License No. AS-NMMSS-33

Victor S. Alfiero
President
NRD, LLC
P.O. Box 310
2937 Alt Boulevard
Grand Island, New York 14072-0310

SUBJECT: NRD, LLC - NOTICE OF VIOLATION AND PROPOSED IMPOSITION OF CIVIL PENALTY (NRC Inspection Report No. 03037220/2015-001)

Dear Mr. Alfiero:

This refers to the inspection conducted on May 21, 2015, at the NRD, LLC (NRD) facility in Grand Island, New York. The inspection examined activities conducted under your license as they relate to safety, common defense and security, and to compliance with NRC requirements. The inspection findings were discussed with you during the final inspection exit meeting conducted on August 4, 2015. The inspection was documented in NRC Inspection Report No. 03037220/2015-001, provided to you in our letter dated August 17, 2015.

In the letter transmitting the inspection report, the NRC indicated that based on the results of this inspection, the NRC identified one or more apparent security-related violations¹ which were being considered for escalated enforcement in accordance with the NRC Enforcement Policy. Because the apparent violation (or violations) involved security-related information, the details were provided in a non-public inspection report enclosed with the August 17, 2015, letter. In the letter, we also informed you that, because NRD received a separate escalated enforcement action within the prior two inspections, a civil penalty may be warranted for this new violation, in accordance with the NRC Enforcement Policy.

We provided you an opportunity to address the apparent violation (or violations) described in the report by either attending a pre-decisional enforcement conference (PEC), providing a written response, or requesting Alternative Dispute Resolution (ADR) before we made our final enforcement decision. In a telephone call with Mr. Blake Welling of my staff on August 26, 2015, you conveyed that neither a PEC or ADR nor a written response would be necessary.

¹ In accordance with NRC Enforcement Guidance Memorandum (EGM) 15-001, "Documentation of Security-Related Information in Publicly-Available Cover Letters Related to Enforcement Documents," the number of violations characterized above Severity Level IV is not specified in publicly-available documents.

Therefore, based on information developed during the inspection, the NRC has determined that one or more violations of NRC requirements occurred, and is/are subject to escalated enforcement action. The violation (or violations) is/are cited in a Notice of Violation (Notice) enclosed in a non-publicly available version of this letter. The circumstances surrounding the violation (or violations) are documented in the above-referenced inspection report.

In accordance with the Enforcement Policy, a base civil penalty of at least \$17,500 is considered for each Severity Level III or higher violation by large manufacturing and distribution licensees. Because your facility has been the subject of escalated enforcement action within the past two inspections², the NRC considered whether credit was warranted for *Identification* and *Corrective Action* in accordance with the civil penalty assessment process in Section 2.3.4 of the Enforcement Policy. The NRC determined that identification credit is not warranted because the violation was identified by an NRC inspector, as described in the subject inspection report. The NRC determined that corrective action credit is warranted, because NRD took corrective actions which were prompt and comprehensive. The corrective actions are documented in the subject inspection report.

Therefore, to emphasize the importance of NRC security requirements and of prompt identification of violations, and in recognition of your previous escalated enforcement action, I have been authorized, after consultation with the Director, Office of Enforcement, to issue the Notice of Violation and Proposed Imposition of Civil Penalty (Notice) specified in the non-publicly available version of this letter.

The NRC has concluded that information regarding: (1) the reason for the violation(s); (2) the actions planned or already taken to address the violation(s) and prevent recurrence; and, (3) the date when full compliance was achieved, is already adequately addressed on the docket in the Inspection Report 03037220/2015-001. Therefore, you are not required to respond to this letter unless the description in the inspection report does not accurately reflect your corrective actions or your position. In that case, or if you choose to respond, because this issue involves security-related information, your response will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC website at <http://www.nrc.gov/reading-rm/adams.html>. If safeguards information is necessary to provide an acceptable response, you are required to provide the level of protection described in the non-publicly available version of this letter. Otherwise, you should mark your entire response, "Security-Related Information – Withhold Under 10 CFR 2.390."

² An escalated enforcement action was issued to NRD for an unrelated, security-related violation on December 16, 2009

V. Alfiero

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In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Website at <http://www.nrc.gov/reading-rm/adams.html>. The NRC also includes significant enforcement actions on its Web site at (<http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions/>).

Sincerely,

/RA David C. Lew for:/

Daniel H. Dorman
Regional Administrator

cc:
State of New York

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Sincerely,

/RA David C. Lew for:/

Daniel H. Dorman
Regional Administrator

cc:
State of New York

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See next page

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X SUNSI Review/ MMM		X Non-Sensitive □ Sensitive		X Publicly Available □ Non-Publicly Available	
OFFICE	RI/ ORA	RI/ DNMS	RI/DNMS	RI/ ORA	RI/ORA
NAME	M McLaughlin/ MMM*	B Welling/ BDW*	D Collins/ DSC*	B Klukan/ C Hair for	B Bickett/ MMM for*
DATE	8/28/15	9/03/15	9/04/15	9/23/15	9/04/15
OFFICE	OE**	NMSS**	RI/ DNMS		RI/ ORA
NAME	N Hilton	M Burgess	D Collins/		D Dorman/dlew for
DATE	9/23/15	9/23/15	9/28/15/		9/29/15

*Concurrence on previous page

OFFICIAL RECORD COPY

**Quick Review

Letter to Victor S. Alfiero from Daniel H. Dorman dated September 29, 2015

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Enforcement Coordinators

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