

September 24, 2018
EN-18-012

OFFICE OF ENFORCEMENT
NOTIFICATION OF SIGNIFICANT ENFORCEMENT ACTION

Licensee: Harman International Industries, Inc.
Docket No.: 7030-39071

EA-18-033

Subject: ISSUANCE OF CONFIRMATORY ORDER

A Confirmatory Order (CO) will be issued on or about September 27, 2018, to Harman International Industries, Inc. (Harman), a distributor of lamps containing byproduct material (krypton-85) to persons exempt from the regulations. This CO will confirm commitments reached as part of an alternative dispute resolution (ADR) settlement agreement addressing apparent violations that were identified as a result of a records review related to the import, possession, and distribution of licensed materials (lamps containing krypton-85) by Harman in areas of U.S. Nuclear Regulatory Commission (NRC) jurisdiction without having the required NRC licenses.

In a letter to the licensee, dated June 7, 2018, the NRC outlined the apparent violations and offered the licensee the opportunity to attend a pre-decisional enforcement conference or to request ADR with the NRC. Three apparent violations were identified: (1) initially transferring, for sale or distribution, lamps containing krypton-85 without an NRC license for such activity pursuant to 10 CFR sections 30.3(a), 30.15(a)(8)(iv), and 32.14; (2) possession of material (krypton-85) without an NRC license for such activity pursuant to 10 CFR 30.3; and (3) importing material (krypton-85) into the United States without an NRC or Agreement State license for possession of the material containing byproduct material pursuant to 10 CFR 110.5, 110.9a, 110.20(a), and 110.27(a).

In response to the NRC letter, dated June 7, 2018, Harman requested ADR. An ADR mediation session was held on August 16, 2018, and a preliminary settlement agreement was reached that also recognized a number of corrective actions already completed by Harman. The CO includes, but is not limited to, the following list of agreed upon future licensee actions: (1) maintain the position of Compliance Manager. This role is in addition to the RSO for the license; (2) maintain its established New Product Introduction/Product Lifecycle Management (NPI/PLM) process; (3) issue a letter from the Compliance Manager to the President, Vice Presidents, and the Directors who report to the Vice President for Operations and Procurement, to ensure awareness of the violations and actions taken; (4) issue a communication to foreign suppliers of lighting products to Harman to promote awareness of the NRC requirements; (5) conduct training for the participants in the NPI/PLM process; (6) continue to conduct training for all employees handling radioactive material; (7) perform an annual audit to ensure compliance with NRC requirements beginning in calendar year 2020; and (8) conduct an audit using an independent third-party consultant to evaluate compliance with NRC requirement. Additionally, Harman agrees to pay a civil penalty of \$7,250 (half the base for a Severity Level III problem). In consideration of the commitments from Harman and the civil penalty paid, the

NRC is issuing this CO, and will not pursue any further enforcement action based on the apparent violations identified in the NRC's June 7, 2018 letter.

Consistent with the ADR process, the licensee was specifically informed of and agrees to this enforcement action. The licensee also signed a waiver to its hearing rights related to this action. The schedule of issuance and notification is on or about the following dates:

Mailing of Notice	September 27, 2018
Telephone Notification of Licensee	September 27, 2018

The State of California will be notified.

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