



Department of Energy

Washington, DC 20858

July 17, 2001

Mr. Alan Parker

[]

Kaiser-Hill Company, L.L.C.

Rocky Flats Environmental Technology Site

10808 Highway 93, Unit B

Golden, CO 80403-8200

EA-2001-04

Subject: Preliminary Notice of Violation and Proposed Imposition of Civil Penalty,
\$385,000

Dear Mr. Parker:

This letter refers to the Department of Energy's (DOE, Department) evaluation of the facts and circumstances concerning a number of events and programmatic failures affecting nuclear safety at the Department's Rocky Flats Environmental Technology Site. The DOE Office of Price-Anderson Enforcement, in coordination with the DOE Rocky Flats Field Office (RFFO), conducted an on-site investigation during April 3-5, 2001. The results of this investigation were provided to you on May 14, 2001; and an enforcement conference was held with you and members of your staff on June 5-6, 2001, to discuss these findings. The conference's summary report is enclosed.

Based on the Department's investigation and information you provided during the enforcement conference and thereafter, the DOE has concluded that violations of 10 CFR 830, "Nuclear Safety Management," and 10 CFR 835, "Occupational Radiation Protection," likely occurred. These violations are described in the enclosed Preliminary Notice of Violation (PNOV).

Sections I and II of the PNOV describe deficiencies related to the implementation of [Nuclear] Safety and Waste Facility work control requirements. These deficiencies were associated with a series of recent events involving transuranic material size reduction, container loading, and assay activities. Although the safety significance of the individual events was relatively low, the recurring nature and supervisory involvement associated with several of the events reflects more fundamental concerns requiring management attention.

Section III of the PNOV describes violations associated with the breakdown of work and

procurement processes occurring during the August 2000 procurement of 500 55-gallon replacement drum lids. The drum lids were intended for use in nuclear waste interim storage and eventual shipment of the waste to the Waste Isolation Pilot Program (WIPP). During the procurement action, Kaiser-Hill Company (KH) ordered the drum lids despite the fact that two mandatory quality assurance reviews of the drum lid requisition had not been completed. Furthermore, the drum lids were ordered to a specification that was not designed for drum lid replacement parts and KH did not formally establish receipt inspection criteria. All 500 drum lids were ultimately rejected for use due to design and fabrication defects, and transportation damage.

Section IV of the PNOV describes procedural implementation and As Low As Reasonably Achievable (ALARA) deficiencies associated with the implementation of the Building 771 Radiation Safety Program. These deficiencies were identified in association with specific events occurring in August and September 2000 involving inadequately controlled work activities associated with contaminated air-mover preparation and airline removal. Your investigation into an October 2000 event involving an out-of-calibration air sampler identified additional concerns related to radiological procedural compliance, adequacy and compliance with work controls, and effectiveness of management oversight.

Section V of the PNOV describes violations of the quality improvement provisions of 10 CFR 830. The breakdowns cited in this section demonstrate a failure by KH to correct previously identified and long-standing quality problems in the areas of Procurement, [Nuclear] Safety, and Authorization Basis implementation. Effective correction of these problems upon their initial identification would have prevented the majority of the events and deficiencies cited in the PNOV. An associated underlying weakness is the ineffective implementation of your assessment programs. This concern was recognized by several of the KH root cause determinations performed in conjunction with the subject events.

In accordance with 10 CFR 820, Appendix A, "General Statement of Enforcement Policy," the violations described in the enclosed PNOV have been classified as eight Severity Level II problems with an aggregate civil penalty of \$385,000. In determining these Severity Levels, DOE considered the actual and potential safety significance associated with each event under consideration, the programmatic and recurring nature of the violations, and other factors.

With respect to the [Nuclear] Safety and Waste Facility Work Control violations, 25 percent mitigation of civil penalties was awarded as several of the events were self-identified by the contractor. Full mitigation for self-identification was not warranted because some of the events were self-disclosing. No mitigation was awarded for corrective actions, since the deficiencies were largely long-standing and recurrent in nature.

No mitigation for identification or for corrective actions was awarded for the cited Procurement violations. KH did not initially recognize the 55-gallon drum lid

procurement as a recurring issue. Further, deficiencies in the Procurement program have been long-standing and the subject of repeated DOE Enforcement Actions and penalties, including the issuance of civil penalties in calendar years 1999 and 2000, and an Enforcement Letter in 2000. This demonstrates the general ineffectiveness of corrective actions taken to date. As a further specific example, subsequent to the June enforcement conference KH identified an additional procurement-related noncompliance associated with the inadequate control of suspect/counterfeit electrical circuit breakers. Although not specifically cited as part of this PNOV, this later event emphasizes the recurrent nature of deficiencies in this area. Therefore, the DOE believes it is appropriate to escalate the procurement-related civil penalties by 50 percent to emphasize the need for management to achieve effective and long-term resolution in this area.

With respect to the Building 771 Radiation Safety deficiencies, no mitigation for identification was awarded due to the self-disclosing nature of the events. Fifty percent mitigation for corrective actions, however, was awarded in recognition of the depth of the contractor's investigation into the air sampler calibration event and the scope of the corrective actions.

No mitigation for either identification or effectiveness of corrective actions was deemed appropriate for the Quality Improvement violation. In keeping with the subject of this violation, the DOE intends to closely monitor the effectiveness of corrective actions undertaken in response to this PNOV, as well as your progress in improving the timeliness and adequacy of your assessment programs.

You are required to respond to this letter and follow the instructions specified in the enclosed PNOV when preparing your response. Your response should document any additional specific actions taken to date. Corrective actions will be tracked in the Noncompliance Tracking System (NTS). You should enter into the NTS (1) any actions that have been or will be taken to prevent recurrence and (2) the target and completion dates of such actions. After reviewing your response to the PNOV, including your corrective actions entered into the NTS as well as the results of any other assessment or inspection, DOE will determine whether further enforcement action is necessary to ensure compliance with DOE nuclear safety requirements.

You are further required to provide a summary briefing to the RFFO on the status of corrective actions completed and planned concerning the Procurement program's programmatic deficiencies within 60 days of your receipt of this letter.

Sincerely,



R. Keith Christopher

Director

Office of Price-Anderson Enforcement

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Enclosures:

Preliminary Notice of Violation
Enforcement Conference Summary
List of Attendees

cc: B. Mazurowski, DOE-RFFO
S. Cary, EH-1
M. Zacchero, EH-1
S. Hurley, OE
P. Rodrik, OE
A. Weadock, OE
S. Zobel, OE
D. Stadler, EH-2
F. Russo, EH-3
R. Jones, EH-5
C. Huntoon, EM-1
H. Himpler, EM PAAA Coordinator
L. Bressler, DOE-RFFO PAAA Coordinator
R. Farrell, DOE-WIPP PAAA Coordinator
F. Casella, KH PAAA Coordinator
R. Azzaro, DNFSB
Docket Clerk, OE

PRELIMINARY NOTICE OF VIOLATION
and
PROPOSED IMPOSITION OF CIVIL PENALTY

Kaiser-Hill Company, L.L.C.
Rocky Flats Environmental Technology Site

EA-2001-04

During a Department of Energy (DOE) investigation conducted on April 3-5, 2001, violations of DOE nuclear safety requirements were identified. In accordance with the "General Statement of Enforcement Policy," 10 CFR 820, Appendix A, DOE proposes to impose civil penalties pursuant to section 234a of the Atomic Energy Act of 1954, as amended, 42 USC 2282a, and 10 CFR 820. The particular violations and associated civil penalties are set forth below.

I. [Nuclear] Safety

10 CFR 830.120(c)(2)(i) requires that "[w]ork shall be performed to established technical standards and administrative controls using approved instructions, procedures, or other appropriate methods."

Contrary to the above, work was not performed to established technical standards and administrative controls using approved instructions, procedures, or other appropriate methods in that work activities associated with the size reduction of [radioactive material] items, the loading of nuclear materials into transuranic (TRU) waste containers, and the handling and storage of TRU waste containers, were not performed in accordance with approved procedures and [nuclear] safety operating limits. Specifically:

- A. [Radioactive Material] Size Reduction Activities: The [radioactive material] sizing procedure, PRO-556-FO-1025, and the corresponding [nuclear] safety evaluation, JCG-21, required operators to (1) re-secure sized [radioactive material] pieces in part carriers prior to initiating can-loading activities, and (2) empty, and verify empty, any partially filled can used for packaging newly-sized [radioactive material] pieces. However, on June 22, 2000, Kaiser-Hill Company (KH) identified that operators were placing a partially filled [radioactive material] can in the work area and loading the can as [radioactive material] pieces were re-

sized without (1) re-securing all of the newly sized [radioactive material] pieces, and (2) emptying and verifying empty the partially filled can.

- B. TRU Waste Container Loading Activities: [Nuclear] Safety Operating Limit ([]SOL) RMS-19, revision 12, requires the [radioactive material] content of each package be limited to [specified quantity] when two packages are placed in a single 10-gallon drum. However, on December 21, 2000, KH identified in Building 707 that workers loaded three 10-gallon drums with TRU waste that exceeded this [limit] per package []SOL limit.

[] MVM-015-3 requires the [radioactive material] content of certain 55-gallon drums not to exceed [specified quantity]. However, on December 29, 2000, KH identified in Building 707 that workers loaded a 55-gallon drum with several packages having assay values, when totaled that exceeded the [] limit. The worker and a second verifier signed a data form listing the assay values of the individual packages but failed to ensure the loaded drum complied with the limit. Subsequent to the event, a re-assay of the loaded drum established a new assay value below the [] limit.

- C. TRU Waste Storage and Handling Activities: [Nuclear Safety] Analyses for Building 440 (JP-410) and for Building 991 (BSM-583) require that only certain nuclear material assay methods be used to verify [radioactive] material content of containers prior to their storage in Buildings 440 and 991, respectively. However, on August 28, 2000, KH identified that 40 containers in Building 440 and eight containers in Building 991 were being stored without having the [radioactive] material content verified, using one of the required methods.

Subsequent to the above problems, KH issued Standing Order 71 and Operations Order OO-MSWO-001 prohibiting the further shipment and receipt, respectively, of drums without the required assay method. However, KH identified on January 24, 2001, Building 569 shipped a noncompliant drum to Building 664 which accepted it for storage.

This violation constitutes a Severity Level II problem.
Civil Penalty - \$41,250

II. TRU Waste Facility Work Controls

10 CFR 830.120(c)(2)(i) requires that “[w]ork shall be performed to established technical standards and administrative controls using approved instructions, procedures, or other appropriate methods.”

Contrary to the above, work was not performed to established technical standards and administrative controls using approved instructions, procedures, or other appropriate methods in that facility operations in Buildings 440 and 664 were not performed in accordance with approved authorization basis (AB) documents and

technical specification requirements (TSRs). Specifically:

A. Building 440 Specific AB Issues: The Building 440 Basis for Operation (BFO), Revision 7, required the following controls:

1. Ridged Liners for Drums stacked higher than the second tier.
2. AB Surveillances within specified time frequencies.
3. Minimum aisle spacing limits.
4. Protection of electrical panels with concrete barriers.

However, KH identified in July and August 2000 that Building 440 routine waste handling and storage operations were not being conducted in accordance with the above AB requirements for an undetermined period of time.

B. Building 664 Specific AB Issues: The Building 664 AB contains a TSR limit and corresponding Limiting Condition for Operation (LCO) action statements on the amount of nuclear material in radioactive waste containers.

However, KH identified in February 2000 that the facility was storing 19 waste drums that exceeded the TSR limits. A second AB violation occurred upon discovery of the drums when the facility management failed to curtail all facility operations in accordance with the above LCO action statements. These drums were stored in Building 664 since August 1997 when the new AB for the facility established requirements prohibiting storage of these drums. Laboratory analysis of assay information, although available, was not used to determine compliance during a 1997 AB implementation inventory.

C. Container Re-assay Work Control Issues: KH did not develop an effective work control process for timely notification to facility management of changes in waste container assay values. The container assay value affects the facility compliance with the AB TSRs. TSR LCO actions require the facility operations to be terminated and the facility returned to a compliant state within [specified] days. Specifically:

1. In Building 440, the re-assay of two drums in January 2001 identified higher nuclear material contents in excess of the TSR limits. However, the facility continued to store the drums until February 22, 2001, when the LCO action statements were entered.
2. In Building 664, one drum was re-assayed in January 2001 with new material values in excess of the TSR limit. LCO action statements were not entered until February 22, 2001.
3. In Building 991, the re-assay of three drums in December 2000 identified nuclear material contents in excess of the TSR limits. LCO action statements were not entered until February 26, 2001.

This violation constitutes a Severity Level II problem.

Civil Penalty - \$41,250

III. Procurement

- A. 10 CFR 830.120(c)(2)(i) requires, in part, that “[w]ork shall be performed to established technical standards and administrative controls using approved instructions, procedures, or other appropriate means.”

Contrary to the above, work was not performed to established technical standards and administrative controls using approved instructions, procedures, or other appropriate means in that–

1. The Rocky Flats Environmental Technology Site Acquisition Procedure for Requisitioning Commodities and Services, Revision 1, 1-W36-APR-111, requires that requisitions for “closure commodity” procurements be reviewed and signed by the Requisitioning Manager or Material Acquisition Member, the WADLET Manager and the Customer Service Organization. Waste Isolation Pilot Plant (WIPP) related procurements must also be reviewed and signed by the TRU Waste Project Quality Assurance Officer.

However, on August 23, 2000, KH placed a telephone order with Myers Container Corporation for 500 55-gallon replacement waste drum lids without first obtaining all required quality assurance reviews and approvals of the related requisition. Specifically, KH ordered the drum lids after the TRU Waste Project Quality Assurance Officer and the Customer Service Organization withdrew their approvals of the requisition for the waste drum lids. The drum lids are designated as “closure commodity” and WIPP-related items and were intended for use in the storage and movement of transuranic radioactive waste and eventual shipment of the waste to WIPP.

2. The KH Procurement System Manual establishes procurement procedures for the acquisition of items for the Rocky Flats Environmental Technology Site. Revision 1 of Volume 1, Part 2, section 1.201-2, requires that the buyer of items shall assure that no subcontract shall be entered into, modified, or terminated unless all required reviews, clearances, or approvals have been obtained.

However, on August 23, 2000, KH failed to obtain all required approvals before procuring 500 55-gallon replacement waste drum lids.

This violation constitutes a Severity Level II problem.

Civil Penalty - \$82,500

- B. 10 CFR 830.120(c)(2)(iii) requires, in part, that “[p]rocured items and services shall meet established requirements and perform as specified.”

Contrary to the above, procured items and services did not meet established requirements and perform as specified in that–

1. On August 23, 2000, KH procured 500 55-gallon replacement waste drum lids to a specification that was not designed for drum lid replacement parts and did not establish requirements for drum lid replacement parts.
2. On or about August 28, 2000, KH received 500 55-gallon replacement waste drum lids that did not meet requirements to Subject Matter Expert criteria. Specifically, 83 percent of the lids failed for nonconformance to convexity, for dents/bends, or for gasket adhesion nonconformance. The remaining lids failed due to markings, paint thickness, and paint coverage.

This violation constitutes a Severity Level II problem.

Civil Penalty - \$82,500

IV. Building 771 Radiation Safety Program

- A. 10 CFR 835.104 states that “[w]ritten procedures shall be developed and implemented as necessary to ensure compliance with this part, commensurate with the radiological hazards created by the activity and consistent with the education, training, and skills of the individuals exposed to those hazards.”

Contrary to the above, written procedures were not developed and implemented as necessary to ensure compliance with 10 CFR 835 in that–

1. Manual MAN-102-SCRM, “Rocky Flats Environmental Technology Site Radiological Control Manual,” version 1, dated October 15, 2000, requires in section 551.2 that “[m]onitoring shall be performed only by trained and qualified individuals using instruments that are properly calibrated and routinely tested for operability.”

However, equipment used for process monitoring or data collection was not calibrated and maintained in that on October 16, 2000, a DOE Facility Representative observed a low-volume air sampler (low-vol) in the Building 771, [], tent that was in use beyond its calibration expiration date. KH’s broader investigation of this finding in Building 771 resulted in the identification of several survey meters and other low-vols in this same situation, and discovery of an alpha radiation detector in use despite that instrument having failed a performance check.

2. Procedure RSP-01.01, section 4.1.2[1] requires a RCT to “[p]erform and properly document surveys.” Section 7.6 of this procedure requires that worker DAC-hr tracking be performed when powered air purifying respirators are used. Such respirators were used from the September 7 through October 17, 2000.

However, records were not specified, prepared, reviewed, approved, and maintained in that during September 7 through October 17, 2000, documentation of Radiological Work Permit (RWP)-required airborne radioactivity measurements and worker DAC-hr tracking was not performed

for work evolutions occurring in the Building 771, [], containment tent. Furthermore, radiological contamination surveys within the room [] tent were required by RWPs 00-771-5216, -5218, and -5250 before, during, and after the completion of a work activity. KH was unable to locate contamination survey records for the period of September 15 through October 15, 2000, though radiological work activities were occurring in the room [] tent during that time.

3. Manual MAN-102-SCRM, "Rocky Flats Environmental Technology Site Radiological Control Manual," version 1, dated October 15, 2000, requires in section 322.7 that "[w]orkers shall acknowledge by signature or through electronic means...that they have read, understand and will comply with the RWP prior to initial entry to the area and after any revisions to the RWP." However, multiple instances were identified where several RCTs entered Building 771 controlled areas during calendar year 2000 without acknowledging (by signature or electronic means) that they had read, understood, and would comply with the applicable RWP.

This violation constitutes a Severity Level II problem.
Civil Penalty - \$27,500

- B. 10 CFR 830(c)(2)(i) states that "[w]ork shall be performed to established technical standards and administrative controls using approved instructions, procedures, or other appropriate means."

Contrary to the above, work was not performed to established technical standards and administrative controls using approved instructions, procedures, or other appropriate means in that—

1. Manual MAN-071-IWCP, "Integrated Work Control Program," revision 2, dated March 30, 2000, states in section 4.3.6.3 that "Pen and Ink changes SHALL be reviewed and concurred with by the affected organization(s)..."

However, the original Building 771 berm removal work package, Work Control Number #T0102407, was approved on February 25, 2000, and was intended for the removal of 12 uncontaminated berms. The work package was later modified by "pen and ink" changes, on May 17, 2000, to add additional berms including those for room [], and on August 21, 2000, to permit the use of an electric saw and jackhammer for berm removal. These changes were not submitted to all affected organizations for review and concurrence.

2. ALARA Job Review (AJR) 00-771-012 states the only acceptable concrete demolition method for the removal of berms in Building 771 are "...hammer, chisel, hammer drill or any combination of the three."

However, an electric jackhammer was used to facilitate concrete berm

removal in Building 771 but its use was not authorized on the controlling AJR. No revisions were made to the AJR to allow its use, and no approvals from Radiological Engineering were obtained to resolve this conflict with the AJR.

3. Procedure 3-PRO-229-RSP-01.01, "Radiological Work Permit," revision 0, dated March 10, 1998, states in section 3 that "[s]pecific RWPs are written to control work in a radiologically controlled area." Section 2.1 of this procedure requires that it is a RCT's responsibility to terminate work activities if work "...is performed beyond the original scope of work stated on..." the RWP.

However, radiological work within the Building 771, [], containment tent was not always controlled by a specific or applicable RWP or AJR. For example, drum repackaging activities were conducted for several weeks using the RWP originally developed for glovebox removal until the drum repackaging RWP was finally approved on June 14, 2000. Pre-evolution briefing records indicate piping was size-reduced in the room [] tent on September 27, 2000, though the RWP and AJR for that activity was not approved until October 18, 2000. Work activities were not terminated despite the lack of a work scope-specific RWP.

4. Procedure PRO-405-RSP-01.03, "Soft Sided Containment (Plastic House)," revision 2, dated January 20, 2000, states in section 3 that Radiological Engineering will design the containment, and the Job Supervisor will ensure that all prerequisites, assessments, and inspections have been performed.

However, during removal of one of the Building 771, [], berms, the use of an electric saw generated sufficient quantities of contaminated dust such that a nearby continuous air monitor (CAM) would occasionally alarm. The work crew then independently constructed a half-tent to aid in dust control. No pertinent reviews and approvals were performed, and a Radiological Engineer was not involved in the half-tent's design until after the half-tent had been in use and CAM alarms continued to occur.

This violation constitutes a Severity Level II problem.

Civil Penalty - \$27,500

- C. 10 CFR 835.1001(a) states that "[m]easures shall be taken to maintain radiation exposure in controlled areas ALARA through physical design features and administrative control."

Contrary to the above, measures were not taken to maintain radiation exposure in controlled areas ALARA through physical design features and administrative control in that—

1. On September 11, 2000, construction workers breached a contaminated instrument airline as part of a wall removal conducted under a minor

- maintenance work package in room []. Hazards associated with the airline removal were not recognized during the work activity and no physical design or administrative radiological controls specific to the breach were utilized (workers were wearing respiratory protection due to other work activities in the room). The line breach resulted in an airborne release of [radioactive material] and the spread of [radioactive material] contamination to the immediate work area.
2. On August 21, 2000, personnel were swapping contaminated hoses between two radiological air movers in preparation for using one of the air movers. The work was conducted in an informal fashion; no procedure was in place to control the activity, and the work had not been formally reviewed nor approved. No formally established and effective physical design or administrative controls appropriate to the work activity were utilized. The activity resulted in an airborne release of [radioactive material], the spread of minor [radioactive material] to the immediate work area, and detectable uptakes of [radioactive material] by four individuals (two resulting in significant doses). None of the individuals received a dose in excess of DOE regulatory limits.

This violation constitutes a Severity Level II problem.
Civil Penalty - \$27,500

V. Quality Improvement

10 CFR 830.120(c)(1)(iii) requires that “[p]rocesses to detect and prevent quality problems shall be established and implemented. Items, services and processes that do not meet established requirements shall be identified, controlled, and corrected according to the importance of the problem and the work affected. Correction shall include identifying the causes of problems and working to prevent recurrence.”

Contrary to the above, correction [of items, services and processes] did not include identifying the causes of problems and working to prevent recurrence in that—

A. [Nuclear] Safety

KH corrective actions have been ineffective in preventing the recurrence of long-standing and repetitive noncompliances in the area of [nuclear] safety. Specifically, those [nuclear] safety procedural noncompliances described in section I of this PNOV are similar to [nuclear] safety infractions previously reported to DOE in 1996, 1997, and 1998. DOE elected not to pursue enforcement action based on KH’s commitment to implement corrective actions. In the 1998 report (NTS-RFO--KHLL-SITEWIDE-1998-0003), KH acknowledged that corrective actions were not adequately comprehensive to prevent the current problems. During 2000 and 2001, numerous additional incidents of [nuclear] safety problems have been identified and reported, thereby demonstrating that prior corrective actions have been ineffective in correcting problems and preventing recurrence. For example, corrective actions taken in response to the

Building 707 [radioactive material] sizing event were limited in scope and did not prevent the occurrence of similar deficiencies during the later TRU waste container loading event.

B. TRU Waste Facility Work Controls

KH corrective actions have been ineffective in preventing the recurrence of work control deficiencies similar to those described in section II of this PNOV. Specifically, Building 440 deficiencies described in section II are similar to those identified during the original 1997 Basis for Operation Operational Readiness Review (ORR). The KH Cause Analysis, dated September 28, 2000, indicates that line management's corrective action process did not adequately address ORR concerns.

C. Procurement

KH corrective actions have been ineffective in preventing the recurrence of long-standing and repetitive noncompliances in the area of Procurement. Specifically, those noncompliances described in section III of this PNOV have been previously identified to KH by DOE through multiple Enforcement Actions (EA-1999-06; EA-2000-01) and an Enforcement Letter (September 11, 2000).

This violation constitutes a Severity Level II problem.
Civil Penalty - \$55,000

Pursuant to the provisions of 10 CFR 820.24, KH is hereby required within 30 days of the date of this Preliminary Notice of Violation and Proposed Imposition of Civil Penalty to submit a written statement or explanation to the Director, Office of Price-Anderson Enforcement, Attention: Office of the Docketing Clerk, P.O. Box 2225, Germantown, MD 20875-2225. Copies should also be sent to the Manager, DOE Rocky Flats Field Office, and to the Cognizant Secretarial Offices at Headquarters for the facilities that are subjects of this notice. This reply should be clearly marked as a "Reply to a Preliminary Notice of Violation" and should include the following for each violation: (1) admission or denial of the alleged violation, (2) any facts set forth that are not correct; and (3) the reasons for the violation if admitted, or the basis for denial if denied. Corrective actions that have been or will be taken to avoid any future violation will be delineated with target and completion dates in DOE's Noncompliance Tracking System. In the event the violations set forth in the Preliminary Notice of Violation are admitted, this Notice will constitute a Final Notice of Violation in compliance with the requirements of 10 CFR 820.25.

Any request for remission or mitigation of civil penalty must be accompanied by a substantive justification demonstrating extenuating circumstances or other reasons why the assessed penalty should not be paid in full. Within the 30 days after the issuance of this Notice, unless the violations are denied, or remission or mitigation is requested, KH shall pay the civil penalty of \$385,000 imposed under section 234a of the Atomic Energy Act of 1954, as amended, by check, draft, or money order payable to the Treasurer of the United States (Account 891099) and mailed to the Director, Office of

Price-Anderson Enforcement, Attention: Office of the Docketing Clerk, at the above address. Should KH fail to answer within the time specified, KH will be issued an Order imposing the civil penalty. In requesting additional mitigation of the proposed civil penalty, KH should address the adjustment factors described in 10 CFR 820, Appendix A, section IX.



R. Keith Christopher
Director
Office of Price-Anderson Enforcement

Dated at Washington, DC,
this 17th day of July 2001

Enforcement Conference Summary

The Department of Energy's (DOE) Office of Price-Anderson Enforcement (OE) held an Enforcement Conference with Kaiser-Hill Company, L.L.C. (KH), personnel on June 5-6, 2001, in Germantown, Maryland, to discuss the circumstances of the events described in the OE Investigation Summary Report in addition to KH's proposed and implemented corrective actions pertaining to the various events. Mr. Keith Christopher, OE Director, began the conference by explaining this meeting would be an opportunity for KH to make its case for enforcement mitigation. Mr. Christopher further stated that material provided by KH would be incorporated into the docket file.

Mr. Alan Parker, [], in his opening statement said that through schedule pressures personnel had lost focus of the details associated with various work activities. Mr. Parker, though, emphasized that KH's employees can follow procedures. Mr. Parker then gave an overview of the timeline for the various events and corrective actions.

Mr. Kelly Trice, [], spoke about the Building 771 radiation safety program deficiencies. He acknowledged that the continued use of the room [] containment enclosure was allowed by management, but also stated that the necessary approvals were not obtained. Mr. Trice then described the revision of the self-assessment program for Building 771; this program is simpler to use, is now done on a scheduled basis, and assessments will go beyond determining what procedures are in place by also assessing procedure implementation.

Mr. Paul Kreitz, [], provided an overview of the current procurement process at the site and spoke of the previous enforcement actions concerning procurement deficiencies. A discussion ensued between Mr. Kreitz and OE staff regarding procedural noncompliances associated with the expedited purchase of drum lids. Due to time constraints, Mr. Christopher directed this discussion to be continued outside of the conference. Mr. Christopher then adjourned the conference for the day.

The conference resumed the following morning (June 6) with Mr. Marvin Brailsford, [], discussing the [nuclear] safety and authorization basis deficiencies described in the DOE's investigation summary report. Mr. Brailsford then followed this discussion with an overview of the corrective actions taken to date. Mr. David Del Vecchio, [], provided a similar overview and discussion regarding [nuclear] safety and authorization basis deficiencies in Building 707 activities.

Mr. Ken Powers, [], addressed the management assessment deficiencies.

Mr. Lincoln Hall, [], provided his perspective of the events and described the corrective

actions to date as a basis for enforcement mitigation. Mr. Hall further indicated the procurement deficiencies were not as troublesome to KH as they appeared to be to the DOE. Mr. Parker then gave the closing remarks for the KH presentation.

Mr. Christopher stated that KH's presentation and other information would be taken into consideration for the DOE's enforcement deliberations. Mr. Christopher also asked that the procurement issues discussed the day before be concluded within ten days. The conference was then adjourned.

Referenced NTS Numbers

NTS-RFO--KHLL-771OPS-2000-0002,
NTS-RFO--KHLL-771OPS-2000-0003,
NTS-RFO--KHLL-D&DOPS-2000-0001,
NTS-RFO--KHLL-KHILL-2000-0001,
NTS-RFO--KHLL-KHILL-2000-0002,
NTS-RFO--KHLL-PUFAB-2000-0002
NTS-RFO--KHLL-PUFAB-2001-0001,
NTS-RFO--KHLL-REGWSTOPS-2000-0001
NTS-RFO--KHLL-SITEWIDE-2000-0008, and
NTS-RFO--KHLL-SITEWIDE-2001-0002

June 5-6, 2001

Kaiser-Hill Company, L.L.C.

[Nuclear] Safety, Authorization Basis, Procurement,
Building 771 Radiation Safety Program, and Quality Improvement Deficiencies

Enforcement Conference List of Attendees

Office of Price-Anderson Enforcement

R. Keith Christopher, Director
Sharon Hurley, Enforcement Officer
Peter Rodrik, Enforcement Officer
Anthony Weadock, Enforcement Officer
Steven Zobel, Enforcement Officer
Steven Hosford, Technical Consultant

Rocky Flats Field Office

Barbara Mazurowski, Manager
Paul Hartmann, Assistant Manager
Lisa Bressler, PAAA Coordinator

Office of Environmental Management

Henry Himpler, PAAA Coordinator
M. Ellen Chitwood, EM-5
Maria Gavrilas-Guinn, EM-5
Marc Jones, EM-33
W. Alexander Williams, EM-33

Office of Environment, Safety and Health

Bill Weaver, EH-3

Kaiser-Hill Company

Alan Parker, []
Lincoln Hall, []
Frank Casella, []
Steve Crowe, []
Kelly Trice, []
Ken Powers, []
Marvin Brailsford, []
David Del Vecchio, []