



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
2100 RENAISSANCE BOULEVARD, SUITE 100
KING OF PRUSSIA, PA 19406-2713

January 26, 2022

EA-21-041

Mr. Kelly Trice
President
Holtec Decommissioning International, LLC
1 Holtec Blvd., Krishna P. Singh Technology Campus
Camden, NJ 08104

SUBJECT: CONFIRMATORY ORDER RELATED TO OYSTER CREEK NUCLEAR
GENERATING STATION – NRC INVESTIGATION REPORT I-2020-007; NRC
INSPECTION REPORT NOS. 05000219/2021402 & 07200015/2021401

Dear Mr. Trice:

The enclosed Confirmatory Order is being issued to Holtec Decommissioning International, LLC as a result of a successful alternative dispute resolution (ADR) mediation session. The commitments in the Confirmatory Order were made by your representatives as part of a settlement agreement between HDI and the U.S. Nuclear Regulatory Commission (NRC). The mediation and settlement agreement was related to apparent violations (AVs) of NRC requirements at HDI's Oyster Creek Nuclear Generating Station (Oyster Creek) described in Inspection Report Nos. 05000219/2021402 & 07200015/2021401 enclosed with an NRC letter dated July 28, 2021 (ML21176A049).¹ The report documented the results of an investigation that evaluated whether a (now-former) training superintendent at Oyster Creek, who was also responsible for performing armorer duties, deliberately failed to perform firearms maintenance activities and falsified records related to those activities.

In the July 28, 2021 letter, the NRC informed HDI that the NRC identified three AVs associated with the investigation, and that two of the AVs were under consideration for escalated enforcement action, including a civil penalty, in accordance with the NRC Enforcement Policy. In the letter, the NRC provided HDI the option of responding to the apparent violations in writing, participating in a pre-decisional enforcement conference, or requesting ADR with the NRC in an attempt to resolve the issue. In response to our letter, HDI requested ADR. An ADR mediation session was consequently held on October 14, 2021, and a preliminary settlement agreement was reached.

As evidenced by the signed "Consent and Hearing Waiver Form" (Enclosure 1), dated January 19, 2022, you agreed to issuance of a Confirmatory Order (Enclosure 2). The Confirmatory Order confirms the commitments made as part of the preliminary settlement agreement. As part of this agreement, HDI has committed to a number of significant actions that are expected to improve the security performance of the fleet. The NRC notes that, prior to

¹ Designation in parentheses refers to an Agency-wide Documents Access and Management System (ADAMS) accession number. Unless otherwise noted, documents referenced in this letter are publicly-available using the accession number in ADAMS.

this ADR session, HDI initiated some measures to address the issues raised by the apparent violations. The NRC will continue to monitor HDI's progress in this area. As described in the Confirmatory Order, in consideration of these commitments, the NRC agreed to issue a reduced civil penalty of \$50,000. HDI must pay the civil penalty in accordance with Section V of the Order.

The NRC will conduct follow-up inspections, as necessary, to ascertain whether the actions taken by HDI to address the commitments of the Confirmatory Order, are complete and effective. Our inspection activities will be guided by Inspection Procedure 92702, "Follow-up on Traditional Enforcement Actions Including Violations, Deviations, Confirmatory Action Letters, and Orders."

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 Confirmatory Order shall be subject to criminal prosecution as set forth in that section. Violation of this Confirmatory Order may also subject the person to civil monetary penalty.

In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR), Section 2.390, of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be made available electronically for public inspection in the NRC Public Document Room and from the NRC's Agencywide Document Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. The Confirmatory Order will also be published in the *Federal Register*. The NRC also includes significant enforcement actions, including Confirmatory Orders, on its Web site at <http://www.nrc.gov/reading-rm/doc-collections/enforcement/actions/>.

Sincerely,

**Raymond
K. Lorson**

Digitally signed by
Raymond K. Lorson
Date: 2022.01.26
12:44:45 -05'00'

Raymond K. Lorson
Deputy Regional Administrator

Docket No. 50-219
License No. DPR-16

Enclosures:

1. Consent and Hearing Wavier
2. Confirmatory Order
3. Civil Penalty Invoice No. EA-21-041
4. NUREG/BR-0254, "Payment Methods"

cc: Distribution via ListServ

CONSENT AND HEARING WAIVER FORM

Holtec Decommissioning International, LLC hereby agrees to comply with the terms and conditions of Confirmatory Order arising out of an alternative dispute resolution process to be issued relating to enforcement action No. EA-21-041. The Confirmatory Order will be immediately effective upon its issuance. By signing below, Holtec Decommissioning International, LLC consents to the issuance of the referenced Confirmatory Order, effective immediately upon its issuance and, by doing so, agrees to waive the right to request a hearing on all or any part of the Confirmatory Order.



Digitally signed by Kelly Trice
DN: cn=Kelly Trice, c=US,
o=Holtec Decommissioning
International, ou=HDI,
email=k.trice@holtec.com
Date: 2022.01.18 17:03:43 -05'00'

Kelly Trice
President
Holtec Decommissioning International, LLC

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of

Holtec Decommissioning International, LLC)	05000219
)	
Oyster Creek Nuclear Generating Station)	DPR-16
)	
)	EA-21-041

CONFIRMATORY ORDER MODIFYING LICENSE

I

Holtec Decommissioning International, LLC (HDI or Licensee) is the holder of Renewed Facility Operating License No. DPR-16 issued on June 3, 2009, by the U.S. Nuclear Regulatory Commission (NRC or Commission) pursuant to Part 50 of *Title 10 of the Code of Federal Regulations* (10 CFR). The license authorizes the operation of Oyster Creek Nuclear Generating Station (facility) in accordance with conditions specified therein. The facility is located on the Licensee's site in Forked River, New Jersey.

This Confirmatory Order is the result of an agreement reached during an Alternative Dispute Resolution (ADR) mediation session conducted by video conference on October 14, 2021.

II

On March 13, 2020, the NRC Office of Investigations (OI), Region I Field Office opened an investigation (OI Case No. 1-2020-007) at Oyster Creek. The investigation,

which was completed on March 11, 2021, evaluated whether a (now-former) training superintendent at Oyster Creek, who was also responsible for performing armorer duties, deliberately failed to perform firearms maintenance activities and falsified records related to those activities. Based on the evidence gathered during the investigation, the NRC determined that the armorer deliberately failed to perform certain required firearms maintenance activities for calendar year 2019, that the armorer deliberately falsified records related to these activities, and that these falsified records were submitted to the NRC in response to an April 10, 2020, information request.

Specifically, the NRC identified that on the Licensee's 2019 firearms maintenance and testing logs that the Licensee submitted to the NRC in response to an information request for an NRC security inspection, the fields for "date" and "performed by" for annual material condition inspections were left blank, indicating to the NRC that the Licensee did not conduct this activity. On March 16, 2020, the armorer told an NRC Region I security inspector that Oyster Creek staff no longer performed this inspection and that the procedure was being changed to remove the requirement. However, the armorer acknowledged that the procedure change had not yet happened. Subsequently, in response to an April 10, 2020, information request from OI, the Licensee resubmitted its firearms logs to the NRC, and the "date" and "performed by" fields were filled out, which would indicate that the Licensee had completed the annual material condition inspections. The armorer informed OI that he filled in these fields after talking to the NRC inspector. He stated that he probably did not perform the inspections but maintained that he did not exactly remember what he did. The NRC determined that the annual material inspections were not performed in 2019 due to the armorer's deliberate failure to perform them and that the armorer deliberately falsified the records provided to the NRC to indicate that the inspections had been performed.

The NRC concluded that the deliberate failure of the armorer to perform required annual material condition inspections of firearms for calendar year 2019 caused the Licensee to be in violation of Title 10 of the *Code of Federal Regulations* (10 CFR) Part 73, Appendix B, Criterion VI.G, "Weapons, Personal Equipment, and Maintenance," and procedures required by the Commission-approved Oyster Creek Training and Qualification Plan. Specifically, 10 CFR Part 73, Appendix B, Criterion VI.G, "Weapons, Personal Equipment, and Maintenance," Section 3(a), "Firearms maintenance program," requires that each Licensee shall implement a firearms maintenance and accountability program in accordance with the Commission regulations and the Commission-approved training and qualification plan. The program must include, in part: (1) Semiannual test firing for accuracy and functionality; (2) Firearms maintenance procedures that include cleaning schedules and cleaning requirements; (3) Program activity documentation; and (4) Control and accountability (weapons and ammunition). The Oyster Creek Training and Qualification Plan is Appendix B to the site's Physical Security Plan. Section 20.5 of Revision 18 of the Training and Qualification Plan states, in part, that a testing and maintenance program for all assigned firearms is established to ensure that the firearms and related accessories function as intended. The program is described in facility procedures. Oyster Creek procedure SY-AA-150-103, Revision 0, "Firearms Maintenance, Testing, and Accountability," constitutes the facility procedure for the testing, cleaning, and inspecting of security weapons. Step 4.2.4.2 states, in part, annually, perform the material condition inspection on all duty firearms. Step 2.3, in terms and definitions, defines "annual" as once per calendar year.

The NRC determined that the armorer's deliberate actions also caused the Licensee to provide information to the NRC regarding the annual material inspections of

firearms that was not complete and accurate in all material respects, contrary to 10 CFR 50.9(a). Specifically, 10 CFR 50.9(a) requires, in part, that information provided to the Commission by a Licensee or information required by the Commission's regulations to be maintained by the Licensee shall be complete and accurate in all material respects. 10 CFR 73.70(e) states, in part, that each Licensee subject to the provisions of 10 CFR 73.55 shall keep documentation of all tests, inspections; and maintenance performed on security related equipment used pursuant to the requirements of this part for three years from the date of documenting the event. 10 CFR 73.55(a)(1) indicates that the Section applies to nuclear power reactor licensees that are licensed under 10 CFR Part 50. Logs submitted to the NRC in response to an April 10, 2020, information request documented that annual material condition inspections had been performed on each of the Licensee's duty firearms; however, the Licensee had not performed the inspections. This information is material to the NRC because the NRC requires testing and maintenance of weapons to ensure they are in acceptable working condition. Accurate recordkeeping of such activities ensures that the weapons maintenance program is fulfilling these requirements.

Through the investigation, the NRC also identified a third violation involving the failure by the armorer to perform required biennial firearms parts replacement. The NRC did not find sufficient evidence to conclude that this failure was willful. However, the failure caused the Licensee to be in violation of 10 CFR Part 73, Appendix B, Criterion VI.G, "Weapons, Personal Equipment, and Maintenance," Section 3(a), "Firearms maintenance program," which requires that each Licensee shall implement a firearms maintenance and accountability program in accordance with the Commission regulations and the Commission-approved training and qualification plan. The program must include, in part: (1) Semiannual test firing for accuracy and functionality; (2) Firearms

maintenance procedures that include cleaning schedules and cleaning requirements; (3) Program activity documentation; and (4) Control and accountability (weapons and ammunition). The Oyster Creek Training and Qualification Plan is Appendix B to the site's Physical Security Plan. Section 20.5 of Revision 18 of the Training and Qualification Plan states, in part, that a testing and maintenance program for all assigned firearms is established to ensure that the firearms and related accessories function as intended. The program is described in facility procedures. Oyster Creek procedure SY-AA-150-103, Revision 0, "Firearms Maintenance, Testing, and Accountability," constitutes the facility procedure for the testing, cleaning, and inspecting of security weapons. Step 4.2.5, states, replace the following components on duty rifles biennially: hammer spring, trigger spring, disconnect spring, extractor spring, ejector spring, and gas rings. SY-AA-150-103-F-04, Rifle Material Condition Inspection/ Functionality/ Accuracy Tests states, in part, biennially, replace the following components on contingency rifles and note this as being completed in the weapons maintenance log. Step 2.7 defines "biennial" as at least once every two years.

By letter, dated July 28, 2021 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML21176A049), the NRC notified the Licensee of the results of the investigation with an opportunity to: (1) provide a response in writing, (2) attend a predecisional enforcement conference or (3) to participate in an ADR mediation session in an effort to resolve this matter.

In response to the NRC's offer, the Licensee requested the use of the NRC's ADR process to resolve differences it had with the NRC. On October 14, 2021, the NRC and the Licensee met in an ADR session mediated by a professional mediator, arranged through Cornell University's Institute on Conflict Resolution. The ADR process is one in

which a neutral mediator, with no decision-making authority, assists the parties in reaching an agreement on resolving any differences regarding the dispute. This Confirmatory Order is issued pursuant to the agreement reached during the ADR process.

III

During the ADR session, the Licensee and the NRC reached a preliminary settlement agreement. The elements of the agreement include the following:

Whereas, the NRC acknowledges that HDI has taken several corrective actions in response to the violations at Oyster Creek Nuclear Generating Station (Oyster Creek) so as to preclude the occurrence of similar violations in the future. These actions include:

1. Denying the former superintendent's unescorted access authorization and denoting his entry in the Personnel Access Data System to indicate that there is additional information.
2. Performing an internal fact-finding and accountability investigation and an apparent cause evaluation, which resulted in the following corrective measures:
 - a. Revising the firearms maintenance, testing, and accountability procedure to remove the requirement to replace parts biennially;
 - b. Completing the initial development of an electronic application that will track weapons upon their removal from their assigned positions;

- c. Holding face-to-face meetings between the Oyster Creek Security Manager and site armorers to ensure understanding of procedural requirements, complete and accurate recordkeeping, and accurate ammunition accounting, including logging unused ammunition returned to the armory after range activities;
 - d. Conducting, over a two-month period, spot checks of security personnel logging security weapons, ammunition, and equipment into and out of the armory and performing ammunition counts.
- 3. Creating the position of Fleet Director of Security Operations and appointing an experienced nuclear security manager to the position as a concurrent role.
 - 4. Initiating development of a standardized set of fleet security procedures.

Therefore, the parties agree to the following terms and conditions:

1. Terms and Conditions to be taken by HDI:

A. Items to Assure Restoration of Compliance:

- 1. Within 60 days of the date of the Confirmatory Order, HDI shall prepare a report of the maintenance status of all in-service and contingency weapons that are onsite at Oyster Creek as of the date of the Confirmatory Order. The report shall specify the dates on which each weapon was last test-fired, cleaned, serviced, and inspected. Within 30 days of completing this action,

HDI shall inform the NRC that the action is complete by sending a letter to the Region I Administrator and shall make the report available to the NRC for review during an inspection:

2. Within 180 days of the date of the Confirmatory Order, HDI shall complete a root cause evaluation of the events related to the violations at Oyster Creek described in this Confirmatory Order in accordance with HDI's corrective action program. Within 30 days of completing this action, HDI shall inform the NRC that the action is complete by sending a letter to the Region I Administrator and shall make the evaluation available to the NRC for review during an inspection.
3. Within 180 days of the date of the Confirmatory Order, HDI shall review its process for performing and recording in-service and out-of-service weapons maintenance. The review shall include a comparison of Oyster Creek's process versus other nuclear sites, including at least one non-HDI nuclear site. The evaluation shall identify best practices and consider any changes needed at Oyster Creek and specify any identified corrective actions. Within 30 days of completing this action, HDI shall inform the NRC that the action is complete by sending a letter to the Region I Administrator and shall make the results of the evaluation available to the NRC for review during an inspection.

B. Items to Address Wrongdoing:

1. Within 60 days of the date of the Confirmatory Order, HDI shall communicate this issue to the security personnel at Oyster Creek and other HDI

decommissioning nuclear reactor sites. The communication (which may be verbal or via written communication) will be conducted by the president of HDI and shall specify that wrongdoing and falsification of records are unacceptable and shall also explain the specific actions staff must take when unable to complete required activities. Within 30 days of completing this action, HDI shall inform the NRC that the action is complete by sending a letter to the Region I Administrator. The letter shall also describe the content of the communication.

2. Within 180 days of the date of the Confirmatory Order, HDI will conduct training to be given to Security personnel at each of HDI's nuclear sites. The training will: (a) emphasize the importance of complete and accurate information for all required records, correspondence, and communications with the NRC and its staff; (b) emphasize individual accountability and clearly express that willful or deliberate failures to comply with regulations, orders, or license requirements could result in significant individual enforcement by the NRC; and (c) reinforce that if any individual recognizes a non-compliance, they will immediately report the observation of the non-compliance. Within 30 days of completing this action, HDI shall inform the NRC that the action is complete by sending a letter to the Region I Administrator and shall make the training materials available to the NRC for review during an inspection.

C. Items to Address Armorer Function Weaknesses:

1. Within 240 days of the date of the Confirmatory Order, HDI shall evaluate its implementation of the armorer function at Oyster Creek. The evaluation shall

include review of the staffing and responsibilities of the position, the methodology for tracking weapons maintenance status and activities, and supervisory involvement in verifying completion of required activities. The evaluation shall also include a comparison of HDI's weapons maintenance processes versus other nuclear reactor sites, including at least one non-HDI nuclear reactor site. The evaluation shall identify best practices and consider any changes needed at Oyster Creek and specify any identified corrective actions. Within 30 days of completing this action, HDI shall inform the NRC that the action is complete by sending a letter to the Region I Administrator and shall make the results of the evaluation available to the NRC for review during an inspection.

2. Within 90 days of completing the evaluation described in Item C.1, HDI shall communicate (which may be verbal or in writing) to HDI Security management staff at Oyster Creek the results of the evaluation and any completed or pending corrective actions. Within 30 days of completing this action, HDI shall inform the NRC that the action is complete by sending a letter to the Region I Administrator and shall make the content of the communication available to the NRC for review during an inspection.

D. Items to Address Implementation of Security Program at Oyster Creek:

1. Within 365 days of the date of the Confirmatory Order, HDI shall administer training to HDI and Holtec Security International, LLC (HSI) Security staff at Oyster Creek that focuses on roles and expectations and that reinforces HDI's responsibility for assuring regulatory compliance. The training shall

also include any insights developed from the root cause evaluation described in Item A.2. Within 30 days of completing this action, HDI shall inform the NRC that the action is complete by sending a letter to the Region I Administrator and shall make the training materials available to the NRC for review during an inspection.

2. Within 365 days of the date of the Confirmatory Order, HDI shall evaluate the Oyster Creek security program to include the program's organizational effectiveness, the quality and effectiveness of site security procedures, the security organization's staffing, training, and communication of standards, expectations, management engagement and oversight, performance management, and the results of the root cause evaluation. The evaluation shall also include a review of the clarity for the security staff about lines of responsibility and reporting, and the performance and quality of how individual job performance results are evaluated, documented, and communicated. The results of the evaluation shall be placed in the Oyster Creek corrective action program. The evaluation team shall be comprised of no more than 50% HDI or HSI employees and the remaining participants shall be from an outside organization (such as a utility or industry group) including a safety culture expert, external to HDI and HSI. Within 30 days of completing this action, HDI shall inform the NRC that the action is complete by sending a letter to the Region I Administrator and shall make the results of the evaluation and any related corrective actions available to the NRC for review during an inspection.

E. Items to Address Corporate Security Oversight

1. Within 90 days of the date of the Confirmatory Order, HDI shall install a Fleet Security Director position with sole responsibility for oversight of the security operations at all HDI nuclear sites. The Site Security Leads shall report to the Fleet Security Director and the Fleet Security Director shall report to the HDI President. Within 30 days of completing this action, HDI shall inform the NRC that the action is complete by sending a letter to the Region I Administrator. HDI shall maintain an individual in this position for a period of 5 years after the date of the Confirmatory Order or until fuel at all HDI nuclear sites is in dry storage, whichever is sooner.
2. Within 365 days of the date of the Confirmatory Order, HDI shall effect an evaluation of HDI's implementation of the corporate security program. The evaluation team shall be comprised of no more than 50% HDI or HSI employees, and the remaining participants shall be from an outside organization (such as a utility or an industry group). The evaluation shall assess HSI's and HDI's corporate security staffing resources, direct and indirect oversight, and performance management. The evaluation shall review the fleet implementation of the security programs at each HDI site to identify areas of strengths and weaknesses. Within 30 days of completing this action, HDI shall inform the NRC that the action is complete by sending a letter to the Region I Administrator and shall make the results of the evaluation available to the NRC for review during an inspection.

F. Effectiveness Reviews

1. Within 90 days of completion of the evaluation described in D.2, HDI shall complete the first of four quarterly reviews of the effectiveness of the Oyster Creek security program and the corrective actions implemented in response to this issue. Within 30 days of completing each review, HDI shall inform the NRC of the completion of the review by sending a letter to the Region I Administrator.
2. The effectiveness reviews discussed in Item F.1 shall be conducted by a team that includes at least one individual from outside the HDI or HSI organization. For a period of one year after completion of the fourth review, the documented effectiveness reviews shall be made available to the NRC for review during an inspection.

G. External Communication

- A. By December 31, 2023, HDI shall discuss this issue, including the results of all of the above-listed evaluations and resulting corrective actions, to the following industry working groups: a) the 2023 National Nuclear Security Conference; and b) Region I Nuclear Security Association. The discussion shall include reference to any identified organizational weaknesses that HDI determined contributed to the issue. Within 30 days of completing each discussion, HDI shall inform the NRC that the action is complete by sending a letter to the Region I Administrator and shall make the presentation materials

available to the NRC for one year after the presentation for review during an inspection.

2. Terms and Conditions to be taken by NRC:

- A. The NRC agrees to issue a reduced civil penalty in the amount of \$50,000.
- B. The NRC agrees to not issue a separate Notice of Violation in addition to the Confirmatory Order but, rather, to describe the violations in the body of the Order instead.
- C. The NRC agrees to include the following statement in the Confirmatory Order and related communications (i.e., press release): As part of this agreement, HDI has committed to a number of significant actions that are expected to improve the security performance of the fleet. The NRC notes that, prior to this ADR session, HDI initiated some measures to address the issues raised by the apparent violation. The NRC will continue to monitor HDI's progress in this area.
- D. For the NRC's future civil penalty assessment purposes as discussed in the NRC Enforcement Policy, the NRC agrees that the issuance of this Confirmatory Order will not be considered as escalated enforcement.

On January 19, 2022, HDI consented to issuing this Confirmatory Order with the commitments, as described in Section V below. HDI further agreed that this Confirmatory Order is to be effective upon issuance, the agreement memorialized in this Confirmatory Order settles the matter between the parties, and that it has waived its right to a hearing.

IV

HDI has committed to a number of significant actions that are expected to improve the security performance of the fleet. The NRC notes that, prior to the ADR session, HDI initiated some measures to address the issues raised by the apparent violations. The NRC will continue to monitor HDI's progress in this area. I find that HDI's actions completed, as described in Section III above, combined with the 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 HDI's commitments be confirmed by this Confirmatory Order. Based on the above and HDI's consent, this Confirmatory Order is effective upon issuance.

V

Accordingly, pursuant to Sections 81, 104b, 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, 10 CFR Part 50, 10 CFR Part 72, and 10 CFR Part 73, IT IS HEREBY ORDERED, EFFECTIVE UPON ISSUANCE, THAT LICENSE NO. DPR-16 IS MODIFIED AS FOLLOWS:

A. Items to Assure Restoration of Compliance:

1. Within 60 days of the date of the Confirmatory Order, HDI shall prepare a report of the maintenance status of all in-service and contingency weapons that are

onsite at Oyster Creek as of the date of the Confirmatory Order. The report shall specify the dates on which each weapon was last test-fired, cleaned, serviced, and inspected. Within 30 days of completing this action, HDI shall inform the NRC that the action is complete by sending a letter to the Region I Administrator and shall make the report available to the NRC for review during an inspection.

2. Within 180 days of the date of the Confirmatory Order, HDI shall complete a root cause evaluation of the events related to the violations at Oyster Creek described in this Confirmatory Order in accordance with HDI's corrective action program. Within 30 days of completing this action, HDI shall inform the NRC that the action is complete by sending a letter to the Region I Administrator and shall make the evaluation available to the NRC for review during an inspection.

3. Within 180 days of the date of the Confirmatory Order, HDI shall review its process for performing and recording in-service and out-of-service weapons maintenance. The review shall include a comparison of Oyster Creek's process versus other nuclear sites, including at least one non-HDI nuclear site. The evaluation shall identify best practices and consider any changes needed at Oyster Creek and specify any identified corrective actions. Within 30 days of completing this action, HDI shall inform the NRC that the action is complete by sending a letter to the Region I Administrator and shall make the results of the evaluation available to the NRC for review during an inspection.

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 - (a) emphasize the importance of complete and accurate information for all required records, correspondence, and communications with the NRC and its staff;
 - (b) emphasize individual accountability and clearly express that willful or deliberate failures to comply with regulations, orders, or license requirements could result in significant individual enforcement by the NRC; and
 - (c) reinforce that if any individual recognizes a non-compliance, they will immediately report the observation of the non-compliance. Within 30 days of completing this action, HDI shall inform the NRC that the action is complete by sending a letter to the Region I Administrator and shall make the training materials available to the NRC for review during an inspection.

C. Items to Address Armorer Function Weaknesses:

1. Within 240 days of the date of the Confirmatory Order, HDI shall evaluate its implementation of the armorer function at Oyster Creek. The evaluation shall include review of the staffing and responsibilities of the position, the methodology for tracking weapons maintenance status and activities, and supervisory involvement in verifying completion of required activities. The evaluation shall also include a comparison of HDI's weapons maintenance processes versus other nuclear reactor sites, including at least one non-HDI nuclear reactor site. The evaluation shall identify best practices and consider any changes needed at Oyster Creek and specify any identified corrective actions. Within 30 days of completing this action, HDI shall inform the NRC that the action is complete by sending a letter to the Region I Administrator and shall make the results of the evaluation available to the NRC for review during an inspection.

2. Within 90 days of completing the evaluation described in Item C.1, HDI shall communicate (which may be verbal or in writing) to HDI Security management staff at Oyster Creek the results of the evaluation and any completed or pending corrective actions. Within 30 days of completing this action, HDI shall inform the NRC that the action is complete by sending a letter to the Region I Administrator and shall make the content of the communication available to the NRC for review during an inspection.

D. Items to Address Implementation of Security Program at Oyster Creek:

1. Within 365 days of the date of the Confirmatory Order, HDI shall administer training to HDI and Holtec Security International, LLC (HSI) Security staff at Oyster Creek that focuses on roles and expectations and that reinforces HDI's responsibility for assuring regulatory compliance. The training shall also include any insights developed from the root cause evaluation described in Item A.2. Within 30 days of completing this action, HDI shall inform the NRC that the action is complete by sending a letter to the Region I Administrator and shall make the training materials available to the NRC for review during an inspection.

2. Within 365 days of the date of the Confirmatory Order, HDI shall evaluate the Oyster Creek security program to include the program's organizational effectiveness, the quality and effectiveness of site security procedures, the security organization's staffing, training, and communication of standards, expectations, management engagement and oversight, performance management, and the results of the root cause evaluation. The evaluation shall also include a review of the clarity for the security staff about lines of responsibility and reporting, and the performance and quality of how individual job performance results are evaluated, documented, and communicated. The results of the evaluation shall be placed in the Oyster Creek corrective action program. The evaluation team shall be comprised of no more than 50% HDI or HSI employees and the remaining participants shall be from an outside organization (such as a utility or industry group) including a safety culture expert, external to HDI and HSI. Within 30 days of completing this action, HDI shall inform the NRC that the action is complete by sending a letter to the Region I

Administrator and shall make the results of the evaluation and any related corrective actions available to the NRC for review during an inspection.

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2. Within 365 days of the date of the Confirmatory Order, HDI shall effect an evaluation of HDI's implementation of the corporate security program. The evaluation team shall be comprised of no more than 50% HDI or HSI employees, and the remaining participants shall be from an outside organization (such as a utility or an industry group). The evaluation shall assess HSI's and HDI's corporate security staffing resources, direct and indirect oversight, and performance management. The evaluation shall review the fleet implementation of the security programs at each HDI site to identify areas of strengths and weaknesses. Within 30 days of completing this action, HDI shall inform the NRC that the action is complete by sending a letter to the Region I Administrator and

shall make the results of the evaluation available to the NRC for review during an inspection.

F. Effectiveness Reviews

1. Within 90 days of completion of the evaluation described in D.2, HDI shall complete the first of four quarterly reviews of the effectiveness of the Oyster Creek security program and the corrective actions implemented in response to this issue. Within 30 days of completing each review, HDI shall inform the NRC of the completion of the review by sending a letter to the Region I Administrator.
2. The effectiveness reviews discussed in Item F.1 shall be conducted by a team that includes at least one individual from outside the HDI or HSI organization. For a period of one year after completion of the fourth review, the documented effectiveness reviews shall be made available to the NRC for review during an inspection.

G. External Communication

1. By December 31, 2023, HDI shall discuss this issue, including the results of all of the above-listed evaluations and resulting corrective actions, to the following industry working groups: a) the 2023 National Nuclear Security Conference; and b) Region One Nuclear Security Association. The discussion shall include reference to any identified organizational weaknesses that HDI determined contributed to the issue. Within 30 days of completing each discussion, HDI shall inform the NRC that the action is complete by

sending a letter to the Region I Administrator and shall make the presentation materials available to the NRC for one year after the presentation for review during an inspection.

H. Civil Penalty

1. Within 30 days of the date of issuance of the Confirmatory Order, HDI will pay a civil penalty of \$50,000 through one of the following two methods:
 - a. Submit the payment with the enclosed invoice to this Order (EA-21-041) to the following address:

Office of the Chief Financial Officer
U.S. Nuclear Regulatory Commission
P.O. Box 979051
St. Louis, MO 63197

OR

- b. Submit the payment in accordance with NUREG/BR-0254.

In addition, at the time payment is made, the licensee shall submit a statement indicating when and by what method payment was made, to the Director, Office of Enforcement,

U.S. Nuclear Regulatory Commission, One White Flint North, 11555 Rockville Pike,
Rockville, MD 20852-2738.

This agreement is binding upon successors and assigns of HDI. The Regional Administrator, Region I may, in writing, relax or rescind any of the above conditions upon demonstration by HDI or its successors of good cause.

VI

In accordance with 10 CFR 2.202 and 10 CFR 2.309, any person adversely affected by this Confirmatory Order, other than HDI, may request a hearing within thirty (30) calendar days of the date of issuance of this Confirmatory Order. 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 and petition for leave to intervene (petition), 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 that request to participate under 10 CFR 2.315(c), must be filed in accordance with the NRC's E-Filing rule (72 FR 49139; August 28, 2007, as amended at 77 FR 46562; August 3, 2012). 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. Detailed guidance on making electronic submissions may be found in the Guidance for Electronic Submissions to the NRC and on the NRC Web site at <https://www.nrc.gov/site-help/e-submittals.html>. 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 10 days prior to the filing deadline, the participant should contact the Office of the Secretary by e-mail at hearing.docket@nrc.gov, or by telephone at 301-415-1677, to (1) request a digital identification (ID) certificate, which allows the participant (or its counsel or representative) to digitally sign submissions and access the E-Filing system for any proceeding in which it is participating; and (2) advise the Secretary that the participant will be submitting a petition or other adjudicatory document (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 the NRC's public Web site at <https://www.nrc.gov/site-help/e-submittals/getting-started.html>. Once a participant has obtained a digital ID certificate and a docket has been created, the participant can then submit adjudicatory documents. Submissions must be in Portable Document Format (PDF). Additional guidance on PDF submissions is available on the NRC's public Web site at

<https://www.nrc.gov/site-help/electronic-sub-ref-mat.html>. A filing is considered complete at the time the document is 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's 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 document on those participants separately. Therefore, applicants and other participants (or their counsel or representative) must apply for and receive a digital ID certificate before adjudicatory documents are filed so that they can obtain access to the documents via the E-Filing system.

A person filing electronically using the NRC's adjudicatory E-Filing system may seek assistance by contacting the NRC's Electronic Filing Help Desk through the "Contact Us" link located on the NRC's public Web site at <https://www.nrc.gov/site-help/e-submittals.html>, by e-mail to MSHD.Resource@nrc.gov, or by a toll-free call at 1-866-672-7640. The NRC Electronic Filing Help Desk is available between 9 a.m. and 6 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 stating why there is good cause for not filing electronically and 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, 11555 Rockville Pike, Rockville, Maryland 20852, Attention: Rulemaking and Adjudications Staff. Participants filing adjudicatory documents 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 the NRC's electronic hearing docket which is available to the public at <https://adams.nrc.gov/ehd>, unless excluded pursuant to an order of the Commission or the presiding officer. If you do not have an NRC-issued digital ID certificate as described above, click "cancel" when the link requests certificates and you will be automatically directed to the NRC's electronic hearing dockets where you will be able to access any publicly available documents in a particular hearing docket. Participants are requested not to include personal privacy information, such as social security numbers, home addresses, or personal phone numbers in their filings, unless an NRC regulation or other law requires submission of such information. For example, in some instances, individuals provide

home addresses in order to demonstrate proximity to a facility or site. 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.

The Commission will issue a notice or order granting or denying a hearing request or intervention petition, designating the issues for any hearing that will be held and designating the presiding officer. A notice granting a hearing will be published in the *Federal Register* and served on the parties to the hearing.

If a person (other than HDI) 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 CFR 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 hearings. 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 30 days from the date of this Confirmatory Order 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.

For the Nuclear Regulatory Commission

Raymond Digitally signed by
K. Lorson Raymond K. Lorson
Date: 2022.01.26
Raymond K. Lorson 12:43:20 -05'00'
Deputy Regional Administrator
NRC Region I

Dated this 26th day of January, 2022.



1/05/2022

Address/Customer Information

Holtec Decommissioning International
1 HOLTEC BLVD
Camden, NJ 08104

Customer Codes

Account Code: L000002432/1

Bill Information

Bill Number: EA-21-041
Amount Due: \$50,000.00
Due Date: See Comments Below

Contact Us

Phone Number: 301-415-7554
Fax Number: 301-415-4135
Email Address: Fees.Resource@nrc.gov

Remit to Address

Office of the Chief Financial Officer
U.S. Nuclear Regulatory Commission
P.O. Box 979051
St. Louis, MO 63197

Bill Summary

Initial Charges	\$50,000.00
Discount	0.00
Surcharge	0.00
Interest Charges	0.00
Penalty Charges	0.00
Admin Charges	0.00
Bill Amount Collected	\$50,000.00
Applied Credit	0.00
Adjustments	0.00
Amount Due	\$50,000.00

Credit Summary

Applied Credit	\$0.00
Unapplied Credit	0.00
Credit Total	\$0.00

Comments:

For questions, contact the NRC Financial Services and Operations Branch at (301) 415-7554 or by email at Fees.Resource@nrc.gov. For NRC debt collection procedures, including interest and penalty provisions, see 31 U.S.C. 3717, 4 CFR 101-105 and 10 CFR 15. If this invoice is related to an Order Imposing a Civil Penalty, Holtec Decommissioning International is required to pay the Civil Penalty within 30 days of the Order date. If payment is in response to a Notice of Violation and Proposed Imposition of a Civil Penalty, please follow the instructions in the Notice. The NRC may consider a request for additional time to pay the Civil Penalty, including the option to enter into an installment agreement, if appropriate. All requests for additional time to pay an invoice must be submitted in writing, with appropriate justification, to NRCCollections.Resource@nrc.gov, and should be submitted sufficiently ahead of time to allow the NRC time to review the request for additional time to pay within the 30-day payment period.

This Invoice is related to the Civil Penalty proposed or imposed under EA-21-041, issued to Holtec Decommissioning International. Please include this reference number on your payment method (see attached Payments Methods Brochure).

QUESTIONS?

If you have questions, please visit <https://www.nrc.gov> and search for "License Fees."

Questions may also be directed to the NRC Accounts Receivable Help Desk by e-mail at nrc@fiscal.treasury.gov, by phone at (301) 415-7554, or by writing to the address below:

U.S. NUCLEAR REGULATORY COMMISSION
OCFO/DOC/ARB
Mail Stop T9-E10
Washington, DC 20555-0001



Payment Methods

U.S. NUCLEAR REGULATORY COMMISSION
OCFO/DOC/ARB
Mail Stop T-9-E10
Washington, DC 20555-0001
PH (301) 415-7554



NUREG/BR-0254, Rev. 9
June 2019



Estimated burden per response to comply with this voluntary collection request: 10 minutes. This brochure provides information about available payment methods. Forward comments about to burden estimate to the Records Management Branch (16-F33), U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and to the Paperwork Reduction Project (3150-0190), Office of Management and Budget, Washington, DC 20503. If a means used to impose an information collection does not display a currently valid OMB control number, the NRC may not conduct or sponsor, and a person is not required to respond to, the information collection.

NRC accepts the methods described below.

PAYMENT BY AUTOMATED CLEARINGHOUSE

To pay by Automated Clearinghouse/Electronic Data Interchange (ACH/EDI), provide a copy of NRC Form 628 to your financial institution. You may obtain a copy of NRC Form 628 from the NRC Web site at <http://www.nrc.gov> by searching for "NRC Form 628." You can also obtain a form by calling the NRC Accounts Receivable Help Desk at (301) 415-7554.

PAYMENT BY CREDIT CARD

The NRC is currently accepts credit card payments of up to \$24,999.99. For payment by credit card, go to Pay.gov, search for "U.S. Nuclear Regulatory Commission Fees" and enter the required information.

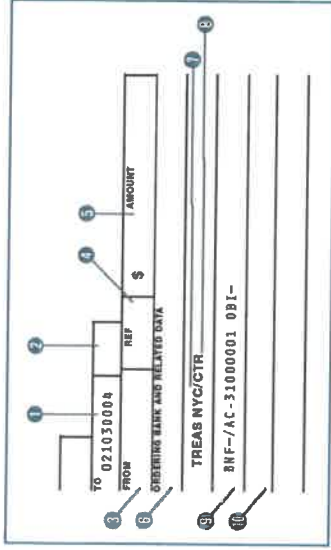


You may also mail or fax NRC Form 629 following the directions on the form. To obtain a copy of NRC Form 629 go to <http://www.nrc.gov> and search for "NRC Form 629" or call the NRC Accounts Receivable Help Desk at (301) 415-7554.

PAYMENT BY FEDWIRE DEPOSIT SYSTEM

The NRC can receive funds through the U.S. Department of the Treasury (Treasury) Fedwire Deposit System. The basic wire message format below complies with the Federal Reserve Board's standard structured third-party format for all electronic funds transfer (EFT) messages.

See the sample EFT message to Treasury below. Each numbered field is described below.



- RECEIVER-DFI#** – Treasury's ABA number for deposit messages is 021030004.
- TYPE-SUBTYPE-CD** – The sending bank will provide the type and subtype code.
- SENDER-DFI#** – The sending bank will provide this number.
- SENDER-REF#** – The sending bank will insert this 16-character reference number at its discretion.
- AMOUNT** – The transfer amount must be punctuated with commas and decimal point; use of the "\$" is optional. The depositor will provide this item.
- SENDER-DFI-NAME** – The Federal Reserve Bank will automatically insert this information.
- RECEIVER-DFI-NAME** – Treasury's name for deposit messages is "TREAS NYC". The sending bank will enter this name.
- PRODUCT CODE** – A product code of "CTR" for customer transfer should be the first item in the receiver text field. Other values may be entered, if appropriate, using the ABA's options. A slash must be entered after the product code.
- AGENCY LOCATION CODE (ALC)** – THIS ITEM IS OF CRITICAL IMPORTANCE. IT MUST APPEAR ON THE FUNDS TRANSFER DEPOSIT MESSAGE IN THE PRECISE MANNER AS STATED TO ALLOW FOR THE AUTOMATED PROCESSING AND CLASSIFICATION OF THE FUNDS TRANSFER MESSAGE TO THE AGENCY LOCATION CODE OF THE APPROPRIATE AGENCY. The ALC identification sequence can, if necessary, begin on one line and end on the next line; however, the field tag "BNF=" must be on one line and cannot contain any spaces. The NRC's 8-digit ALC is: BNF=/AC-31000001
- THIRD-PARTY INFORMATION** – The Originator to Beneficiary Information (OBI) field tag "OBI=" signifies the beginning of the free-form third-party text. All other identifying information intended to enable the NRC to identify the deposit—for example, NRC annual fee invoice number, description of fee, 10 CFR 171 annual fee, and licensee name—should be placed in this field.

PAYMENT BY CHECK

Checks should be made payable to the U.S. Nuclear Regulatory Commission with the invoice number, Enforcement Action number, or other information that identifies the payment, written on the check. Mail the check to the following address:

U.S. Nuclear Regulatory Commission
U.S. Bank
P.O. Box 979051
St. Louis, MO 63197-9000

FedEx or overnight mailings must be delivered to the following address:

U.S. Nuclear Regulatory Commission
U.S. Bank Government Lockbox
SL-MO-C2GL
1005 Convention Plaza
St. Louis, MO 63101

TAXPAYER IDENTIFICATION NUMBER

You must file your Taxpayer Identification Number (TIN) with the NRC. Use NRC Form 531 to provide your TIN. You may obtain NRC Form 531 from the NRC Web site at <http://www.nrc.gov> by searching for "NRC Form 531" or by calling the NRC Accounts Receivable Help Desk at (301) 415-7554.