



## NRC Proposes \$9,000 Penalty for Violations Associated with the Safe Use and Control of NRC-Regulated Material

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By [Kyle Danish](#), [Michael McBride](#), and [Taylor Mayhall](#)

On July 25, 2025, the Nuclear Regulatory Commission (NRC) proposed a \$9,000 fine to Alcoa Corporation (Alcoa) for violating requirements associated with Alcoa's license to possess and use gauges containing radioactive material. This enforcement action serves as a reminder to all those licensed to possess and use NRC-regulated material that understanding regulatory obligations and compliance with them is critical to avoiding penalties.

### VIOLATIONS IDENTIFIED AT ROUTINE INSPECTION

Alcoa is an aluminum producer that owns and operates a coal-fired power plant in Newburgh, Indiana. The NRC authorized Alcoa's Newburgh power plant to use fixed gauges containing radioactive material to measure physical properties of coal.

During a routine inspection of the Newburgh power plant in July 2024, NRC inspectors identified two apparent violations for (1) the failure to have an approved Radiation Safety Officer (RSO), and (2) the failure to conduct leak tests at required intervals.<sup>1</sup>

As to the first violation, although there was an individual at the Newburgh power plant serving as RSO, that person was not listed on the plant's license. The person who was listed on the license had retired two years before the inspection. Alcoa had appointed a new person to serve in the role but failed to request a license amendment reflecting the appointment. The NRC inspectors also did not find any evidence that the new person had taken the required training to become qualified as RSO.

As to the second violation, NRC inspectors did not find records showing that leak tests of a certain device had actually occurred at required intervals. The device was tested before the inspection and was not leaking. Nevertheless, failure to establish that Alcoa had conducted the leak tests amounted to a violation at the inspection.

### THE LICENSEE POINTED TO LACK OF KNOWLEDGE AND FAILURE TO STORE DOCUMENTATION AS THE CAUSE OF VIOLATIONS

In responses to NRC's notification of violations, Alcoa explained the cause of each violation.<sup>2</sup> Regarding the RSO violation, Alcoa cited a lack of knowledge among its staff as to all the requirements for designating and serving as RSO. Alcoa certified that two of its power plant staff had since undergone some of the required training and registered to attend the rest of the required training, and that Alcoa would submit a proposed license amendment to identify the current RSO.

Regarding the leak-test issue, Alcoa identified the cause of the apparent violation as a failure to store leak test documentation in a central location that could be found by future

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<sup>1</sup> <https://www.nrc.gov/docs/ML2507/ML25070A137.pdf>

<sup>2</sup> <https://www.nrc.gov/docs/ML2517/ML25177B443.pdf>; <https://www.nrc.gov/docs/ML2517/ML25178B392.pdf>

employees. Alcoa also contacted the third party that conducted the leak tests and was able to certify that the leak tests had actually occurred at the required intervals.

## DESPITE CORRECTIVE ACTIONS, NRC PROPOSES TO ENFORCE PENALTY FOR PAST VIOLATIONS

Even though Alcoa provided written confirmation that the violations were being corrected and assurances that the violations would not be repeated in the future, the NRC proceeded with enforcement action.

As to the first violation, the NRC found that a failure to have an approved and qualified RSO showed a significant gap in the knowledge and awareness of the radiation safety program. This violation was categorized as Severity Level III in accordance with NRC Enforcement Policy. As to the second violation, the NRC categorized the failure to perform leak tests of sealed sources at intervals specified in the certificate of registration for the device as Severity Level IV. Based on the Severity Level III violation, the NRC proposed a base civil penalty of \$9,000.

The NRC considered whether to grant credit for corrective actions taken by Alcoa. However, while Alcoa had submitted a license amendment request for the new RSO, the training requirements for that RSO had not been met yet. The NRC determined that credit was not warranted because Alcoa had not restored compliance in a timely manner. Alcoa will have an opportunity to contest the penalty.

## CONCLUSIONS

The NRC's notice of the proposed \$9,000 penalty stressed that this penalty is imposed "to emphasize the importance of oversight of licensed activities and of prompt and comprehensive correction of violations."<sup>3</sup> All NRC licensees can learn from this enforcement action about the importance of maintaining knowledge of regulatory obligations among staff even through times of turnover, and of maintaining a central, accessible database of documentation to prove compliance with regulatory obligations.

## FOR MORE INFORMATION

Van Ness Feldman closely monitors and counsels clients on legal and policy developments affecting regulated businesses, including those in the nuclear industry and those who use nuclear materials regulated by the NRC in non-nuclear industries. If you would like more information about licensing and regulation of nuclear materials, please contact [Kyle Danish](#), [Michael McBride](#), or any other member of the [Energy Transition](#) practice in Washington, D.C. at (202) 298-1800.

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<sup>3</sup> <https://www.nrc.gov/docs/ML2518/ML25182A356.pdf>