

Specialty Materials
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July 2, 2004

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U.S. Nuclear Regulatory Commission
Director, Office of Nuclear Material Safety & Safeguards
Attention: Document Control Desk
Mail Stop T-8A33, Two White Flint N, 11545 Rockville Pike
Rockville, MD 20852-2738

Docket No. 40-3392
License No. SUB-526

Re: "Reply to a Notice of Violation", NRC letter dated June 2, 2004
Notice of Violation Report No. 04-3392/2004-004

Dear Sirs:

This letter is our response to the NRC Inspection Report No. 04-3392/2004-004, dated June 2, 2004, "Notice of Violation, Severity Level IV", Violation Number 40-3392/2004-04-01.

Violation No. 40-3392/2004-04-01:

License Condition No.11 of NRC License No. SUB-526, Amendment No. 15, requires, in part, that licensee maintain and execute the response measures in the Radiological Contingency Plan (Emergency Response Plan) dated August 15, 1993, and amended by letters March 19 and 30, 1999 and June 12, 2000, or as provided by licensee consistent with 10 CFR Section 40.35(f).

Section 7.6 of the plan states that letters of agreement with offsite emergency response organizations are reviewed at least once each year and renewed every 4 years.

Contrary to the above, the inspectors determined that letters of agreement with offsite emergency response organizations including the Massac County Fire Department, Massac County Sheriff, Massac County Emergency Service and Disaster Agency, and Metropolis Police Department have not been renewed with in the last four years. Honeywell does not disagree with the documented finding.

Reason for This Violation:

Per our investigation into the failure to maintain letters of agreement, we determined that there was not a mechanism to assure this procedural requirement is maintained.

IE07

Corrective Actions:

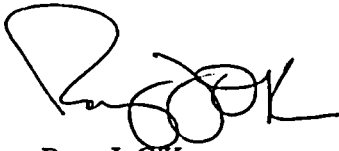
Honeywell Metropolis Works (MTW) management has met with the local offsite emergency response organizations including the Massac County Fire Department, Massac County Sheriff, Massac County Emergency Service and Disaster Agency, and Metropolis Police Department on several occasions to reestablish letters of agreement. These activities are being tracked by the plant's corrective action program "ECATS" # MTW20040140-01 to assure the letters are completed.

The ECAT item # MTW20040140-01 further requires an effectiveness review be performed (due 7-2-2005) to assure that the letters are reviewed and completed for the next year. When this review is completed and documented, an additional review will be scheduled (initiated) to be performed the following year. This will assure these letters are maintained per plant procedures. This is being tracked by ECATS # MTW20040140-02 to assure that the actions performed have been effective and are continuing with reference to this NRC Commitment.

Honeywell had expected and had communicated that the expected date for the completion of these letters would be 7-1-04, however the local community have agreed on the content and have approved to sign the agreement letters but have not performed this action to date. Honeywell will have all agreement letters in place by 8-1-04 based on current communications with local officials.

These actions will assure that these letters will be maintained appropriately in the future. Any additional questions or concerns on this matter please call Mr. D. E. Mays at 618-524-6396 or Mr. M. E. Ginzel at 618-524-6349.

Sincerely,



Rory J. O'Kane
Plant Manager

cc: D. Mays
M. Ginzel
File

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