



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
61 FORSYTH STREET, SW, SUITE 23T85
ATLANTA, GEORGIA 30303-8931**

November 18, 2004

Global Nuclear Fuel - Americas, L.L.C.
ATTN: Mr. J. D. Fuller, Chief Executive Officer
and Facility Manager
Global Nuclear Fuel - Americas, L.L.C.
P. O. Box 780
Wilmington, NC 28402

SUBJECT: NRC INSPECTION REPORT NO. 70-1113/2004-07

Dear Mr. Fuller:

This report refers to the inspection conducted from October 19-22, 2004, at your Wilmington facility. The purpose of the inspection was to determine whether activities authorized by your license were conducted safely and in accordance with United States Nuclear Regulatory Commission (NRC) requirements. At the conclusion of the inspection, the findings were discussed with the members of your staff who are identified in the enclosed report.

The areas examined during the inspection are identified in the report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observation of activities in progress within the plant.

Based on the results of the inspection, no violations or deviations were identified. The inspected areas of the Emergency Preparedness Program at the Wilmington facility were in compliance with regulatory requirements.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be available electronically for public inspection in the NRC Public Document Room (PDR) or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> the Public Electronic Reading Room.

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Should you have any questions concerning this letter, please contact us.

Sincerely,

/RA/

Jay L. Henson, Chief
 Fuel Facility Inspection Branch 2
 Division of Fuel Facility Inspection

Docket No. 70-1113
 License No. SNM-1097

Enclosure: NRC Inspection Report

cc w/encl:
 Charles M. Vaughan, Manager
 Facility Licensing
 Global Nuclear Fuel - Americas, L.L.C.
 P. O. Box 780, Mail Code J26
 Wilmington, NC 28402

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U.S. NUCLEAR REGULATORY COMMISSION

REGION II

Docket No.: 70-1113

License No.: SNM-1097

Report No.: 70-1113/2004-07

Licensee: Global Nuclear Fuel - Americas, L.L.C.

Location: Wilmington, NC 28402

Dates: October 19-22, 2004

Inspector: S. R. Caudill, Senior Nuclear Fuel Facility Inspector

Approved By: J. L. Henson, Chief
Fuel Facility Inspection Branch 2
Division of Fuel Facility Inspection

Enclosure

EXECUTIVE SUMMARY

Global Nuclear Fuel - Americas, L.L.C.
NRC Inspection Report 70-1113/2004-07

This routine, announced inspection involved observation and evaluation of the licensee's program in the Emergency Preparedness (EP) area. The inspection identified the following aspects of the licensee's program:

Emergency Preparedness

- Changes to the EP program did not decrease the effectiveness of the program. Personnel with changed or new responsibilities with respect to EP were trained and knowledgeable of their EP-related roles and responsibilities. The licensee was in compliance with regulatory requirements (Paragraph 1.a).
- The reviewed EP procedures were adequate and maintained current, and the procedural control, review, and issuance practices were in compliance with regulatory requirements (Paragraph 1.b).
- Personnel with EP related duties were adequately trained in the appropriate topics. The licensee's EP training program was in compliance with regulatory requirements (Paragraph 1.c).
- The licensee's off-site EP response organizations understood their respective written agreements with the licensee as evidenced by reviewed events. The performance of off-site responders during actual emergencies and drills was adequate. The off-site support area of the licensee's EP program was in compliance with regulatory requirements (Paragraph 1.d).
- The licensee's emergency equipment was maintained functional and in good condition, in the appropriate locations. The licensee's program for tracking the periodicity of maintenance/calibration on this equipment was adequate. The licensee was in compliance with regulatory requirements (Paragraph 1.e).

Attachment:

Persons Contacted
Inspection Procedures
List of Items Opened, Closed, and Discussed
List of Acronyms

REPORT DETAILS

1. Emergency Preparedness (Inspection Procedure (IP) 88050) (F3)

a. Review of Program Change (F3.01)

(1) Inspection Scope and Observations

The inspector reviewed changes in Emergency Preparedness (EP) personnel responsibilities and organizational functions that had occurred during the last 12 months. The inspector also reviewed the licensee's Emergency Action Level bases documents, in which the licensee had changed previous criteria for declaring a Notification of Unusual Event to a new term called an "Off-Normal Condition."

(2) Conclusion

Changes to the EP program did not decrease the effectiveness of the program. Personnel with changed or new responsibilities with respect to EP were trained and knowledgeable of their EP-related roles and responsibilities. The licensee was in compliance with regulatory requirements.

b. Implementing Procedures (F3.02)

(1) Inspection Scope and Observations

The inspector reviewed the licensee's process for approving EP procedures, and reviewed the contents of selected procedures pertaining to emergency communications and fire and explosion event response. The inspector ascertained for selected EP procedures that they were maintained current in field locations, and were readily accessible. Employees questioned by the inspector were aware of the contents and locations of selected EP procedures. Relevant EP procedures were reviewed for improvement based on lessons learned from drills and actual emergency events.

(2) Conclusion

The reviewed EP procedures were adequate and maintained current, and the procedural control, review, and issuance practices were in compliance with regulatory requirements.

c. Training and Staffing of the Emergency Organization (F03.03)

(1) Inspection Scope

Through a record review and discussions with on-site personnel, the inspector verified that the licensee has provided training that is consistent with the frequency and performance objectives outlined in the EP Plan. The inspector also verified that the training covered the use of any special emergency equipment such as communication devices, self contained breathing air (SCBA) packs, monitoring devices for radioactive and other hazardous materials, and treating contaminated personnel or personnel with

hydrofluoric acid injuries. The inspector further verified the adequacy of the licensee's methods for tracking the initial qualification and subsequent re-qualification due dates for EP response personnel.

(2) Conclusion

Personnel with EP related duties were adequately trained in the appropriate topics. The licensee's EP training program was in compliance with regulatory requirements.

d. Off-site Support (F03.04)

(1) Inspection Scope and Observations

The inspector reviewed the circumstances surrounding an event on July 16, 2004 in which an employee in the Fuel Components Operations (FCO) Building was injured by a vacuum cleaner explosion and a flash fire involving zirconium powder. (This event was described in more detail in Inspection Report 70-1113/2004005.) The inspector ascertained by plant tours, staff interviews and event critique reports that off-site agencies such as the local ambulance service, hospital, fire departments, and law enforcement responders understood their respective response roles (as contained in written agreements) with the licensee. The inspector noted the timely and adequate response by these off-site responders. The inspector further reviewed the actual written agreements and to verify they were adequate.

The inspector reviewed pertinent records reviews, interviewed EP staff, and walked-down chemical storage areas to verify that the licensee had maintained its certification of compliance with the "Emergency Planning and Community Right-To-Know Act of 1986."

(2) Conclusion

The licensee's off-site EP response organizations understood their respective written agreements with the licensee as evidenced by reviewed events. The performance of off-site responders during actual emergencies and drills was adequate. The off-site support area of the licensee's EP program was in compliance with regulatory requirements.

e. Emergency Equipment and Facilities (F03.06)

(1) Inspection Scope and Observations

The inspector selectively examined the emergency equipment and kits as specified in the Emergency Plan. This equipment included fire extinguishers/hoses in the fuel manufacturing areas, field monitoring kits stored in the Emergency Control Center, medical treatment kits stored in the medical facility, and Hazmat equipment stored on the fire trucks. The inspector also examined the emergency diesel generators, and criticality alarm system's and fire alarm system's backup battery power console. The inspector verified that they were checked and serviced at the required frequencies. The inspector confirmed that proper inventory levels were maintained and periodically

checked. The inspector further determined that the equipment was operable, in that selected survey meters were within calibration frequencies, air tanks on respiratory equipment were full, and acid showers and eyewashes were maintained functional.

(2) Conclusion

The licensee's emergency equipment was maintained functional and in good condition, in the appropriate locations. The licensee's program for tracking the periodicity of maintenance/calibration on this equipment was adequate. The licensee was in compliance with regulatory requirements.

2. **Exit Meeting**

The inspection results were summarized on October 22, 2004 with licensee management representatives. Although proprietary documents and processes were occasionally reviewed during this inspection, the proprietary nature of these documents or processes has been deleted from this report. The licensee acknowledged the results of the inspection.

ATTACHMENT

1. PARTIAL LIST OF PERSONS CONTACTED

- *M. Allen, Program Manager, Emergency Preparedness and Site Security
- *D. Barbour, Team Leader, Radiation Protection
- *R. Crate, Manager, Fuel Manufacturing Operations
- *R. Foleck, Program Manager, Facility Licensing
- *D. Godwin, Chief, Emergency Response
- *H. Knight, Site Emergency Director/FCO Manager
- *C. Monetta, Manager, Environment, Health and Safety
- *L. Paulson, Manager, Nuclear Safety
- *H. Strickler, Manager, Site Environment, Health, and Safety
- *C. Vaughan, Manager, Facility Licensing

*Attended exit meeting on October 22, 2004

2. INSPECTION PROCEDURES USED

IP 88050 Emergency Preparedness

3. LIST OF ITEMS OPENED, CLOSED, AND DISCUSSED

None

4. LIST OF ACRONYMS USED

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|-------|--------------------------------|
| DCP | Dry Conversion Process |
| EP | Emergency Preparedness |
| FCO | Fuel Component Operations |
| FMO | Fuel Manufacturing Operations |
| GNF-A | Global Nuclear Fuel - Americas |
| HF | Hydrofluoric Acid |
| IP | Inspection Procedure |
| NCS | Nuclear Criticality Safety |
| NRC | Nuclear Regulatory Commission |