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August 23, 2005

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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: "NRC Inspection Report 40-3393/2005-003 and Notice of Violation" NRC letter dated July 29, 2005

Dear Sirs:

This letter is our response to the NRC Inspection Report 40-3392/2005-003 and Notice of Violation, dated July 29, 2005.

During an NRC inspection conducted on June 27 through 30, 2005, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," NUREG-1600, the violation is listed below.

License Condition 10 of NRC License No. SUB-526, Amendment No. 15, authorizes, in part, the use of licensed materials in accordance with the statements, representations, and conditions in chapter 1 through 7 of the license application dated January 30, 2003.

Chapter 2, Section 2.6 of the license application, dated January 30, 2003, requires that "plant written procedures shall be reviewed, revised, approved, and implemented in accordance with Plant Policy titled, "Procedure Control Policy."

Procedure Control Policy, AD-7, issue date October 11, 2004, states, in part, that procedures written after March 1, 2004, shall be reviewed, revised, approved, and implemented in accordance with Procedure MTW-ADM-PRO-0103, "development and Implementation of Plant Technical Procedures."

Step 4.25.2 of Procedure MTW-ADM-PRO-0103, Revision 5, requires that if a procedure is extended beyond the periodic review date, it be removed from use and immediately placed into the periodic review cycle.

Contrary to the above, as of June 28, 2005, the inspectors identified that several standard operating procedures written after March 1, 2004, were not removed from service and immediately placed into the periodic review cycle after an extension for their periodic review expired on June 15, 2005.

This is a Severity Level IV violation (Supplement VI).

IEON

**Reason for this Violation:**

The licensee has determined the failure to remove from service and immediately place into the periodic review cycle those procedures that have exceeded the Plant Manager-authorized extension of the annual review requirement was due to the following:

1. Management failed to enforce compliance with the procedure as written.
2. Management failed to require the use of the Plant Manager-authorized extension as time to perform the review. Rather, the extension period was granted as a method to use the procedure without consideration to the intent of the extension – perform the annual review in parallel with having the procedure available.
3. Management failed to recognize the “extended procedure” as an anomalous condition within the procedure set that required additional management attention.
4. Management failed to specifically assign the procedures which had been extended to individuals for review and to hold those individuals accountable.

**Corrective Actions Taken:**

The following corrective actions have been taken:

1. The procedures identified during the inspector's review to be beyond the extended due date were reviewed for accuracy. Fifteen minor changes were required to be made as a result of the reviews. One of the fifteen minor resulted in a major change due to the procedure had had the maximum number of minor changes allowed. COMPLETE
2. The remaining active technical procedures were reviewed to determine the date by which each must be reviewed. No other procedures were identified to be overdue for their required annual review. COMPLETE

**Corrective Actions Planned to Avoid Further Violations:**

Procedure MTW-ADM-PRO-0103, *Development and Implementation of Plant Technical Procedures*, will be modified to:

1. Clarify the purpose for seeking an extension for the annual review to ensure the required accuracy review remains the focus – not just the procedure's continued availability.
2. Address the importance of recognizing the existence of a procedure beyond its review date with an extension as an anomalous condition requiring additional management attention and follow-up.
3. Require a specific individual be assigned as responsible for the review after the extension is granted by the Plant Manager.
4. Provide an accountability methodology for ensuring the individual assigned to perform the annual review completes the review before the extension expires.
5. Require the document control database to be used to schedule and track completion of required reviews of procedure within the specified periodicity.

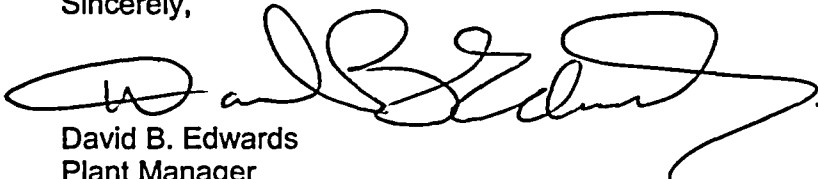
Additionally, MTW Plant management and supervision will be required to read the changed procedure and acknowledge their understanding of the changes.

**Commitment to Return to Compliance:**

Honeywell-MTW returned to compliance with the requirements of the license cited herein on July 8, 2005. This is a regulatory commitment. Any other actions discussed in this correspondence represent intended or planned actions. They are described to the NRC for information and are not regulatory commitments.

Questions regarding this correspondence can be addressed to Darren Mays at 618-524-6396.

Sincerely,



David B. Edwards  
Plant Manager

Cc: Regional Administrator (UPS: 404-562-4701)  
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