



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION II
SAM NUNN ATLANTA FEDERAL CENTER
61 FORSYTH STREET, SW, SUITE 23T85
ATLANTA, GEORGIA 30303-8931

January 12, 2006

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

SUBJECT: NRC INSPECTION REPORT NO. 70-1113/2005-006

Dear Mr. Fuller:

This refers to the inspection conducted from December 12-16, 2005, at your Wilmington facility. The purpose of the inspection was to determine whether activities authorized by the license were conducted safely and in accordance with NRC requirements. At the conclusion of the inspections, the findings and observations were discussed with members of your staff.

As a result of the inspection, the enclosed NRC Forms 591FF, SAFETY INSPECTION REPORT, are being issued. The enclosed forms indicate that no violations or deviations were identified during the inspection of your licensed activities. However, the results from the NRC evaluation of the biennial emergency exercise indicated that the scenario development, exercise control, and the response by the radiation protection team and medical-rescue team were areas requiring corrective actions. By telephone conference on December 21, 2005, Chris Monetta of your staff discussed those actions already taken including plans to conduct a drill during the first quarter of 2006 with additional drills being planned for each quarter during 2006. If your understanding is different from that discussed, please inform this office in writing within 30 days. Should you agree with the inspection results and the stated corrective actions, please acknowledge by signature on Form 591FF Part 1 and return a signed copy to this office. Please retain the original Form 591FF Part 1 and 3 for your files.

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

J. D. Fuller

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

Sincerely,

RA/ D. Seymour for

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

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

Enclosures: 1. NRC Form 591FF Part 1
2. NRC Form 591FF Part 3

cc w/encls:
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Global Nuclear Fuel - Americas, L.L.C.
P. O. Box 780, Mail Code J26
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PUBLIC

PUBLICLY AVAILABLE NON-PUBLICLY AVAILABLE SENSITIVE NON-SENSITIVE

ADAMS: Yes ACCESSION NUMBER: _____

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|--------------|------------|------------|------------|------------|----------|----------|----------|
| OFFICE | RII:DFFI | RII:DFFI | RII:DFFI | RII:DFFI | | | |
| SIGNATURE | DS 1/12/06 | NR 1/11/06 | DS 1/12/06 | DS 1/12/06 | | | |
| NAME | AGooden | NRivera | WBritz | DSeymour | | | |
| DATE | 1/ /2006 | 1/ /2006 | 1/ /2006 | 1/ /2006 | 1/ /2006 | 1/ /2006 | 1/ /2006 |
| E-MAIL COPY? | YES NO | YES NO | YES NO | YES NO | YES NO | YES NO | YES NO |

**SAFETY INSPECTION REPORT
AND COMPLIANCE INSPECTION**

| | |
|--|---|
| 1. LICENSEE/LOCATION INSPECTED: Global Nuclear Fuel - Americas, LLC Castle Hayne Road Wilmington, NC 28401 | 2. NRC/REGIONAL OFFICE: U.S. Nuclear Regulatory Commission Region II, Division of Fuel Facilities Inspection 61 Forsyth Street, Suite 23T85 Atlanta, GA 30303 |
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REPORT

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| 3. DOCKET NUMBER(S): 2005-006 | 4. LICENSEE NUMBER(S): SNM-1097 | 5. DATE(S) OF INSPECTION: December 12-16, 2005 |
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LICENSEE:

The inspection was an examination of the activities conducted under your license as they relate to radiation safety and to compliance with the Nuclear Regulatory Commission (NRC) rules and regulations and the conditions of your license. The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector. The inspection findings are as follows:

- 1. Based on the inspection findings, no violations were identified.
- 2. Previous violation(s) closed.
- 3. The violation(s), specifically described to you by the inspector as non-cited violations, are not being cited because they were self-identified, non-repetitive, and corrective action was or is being taken, and the remaining criteria in the NRC Enforcement Policy to exercise discretion were satisfied.

_____ Non-Cited Violation(s) was/were discussed involving the following requirement(s) and Corrective Action(s):

- 4. During this inspection certain of your activities, as described below and/or attached, were in violation of NRC requirements and are being cited. This form is a NOTICE OF VIOLATION, which may be subject to posting in accordance with 10 CFR 19.11.

(Violations and Corrective Actions)

Licensee's Statement of Corrective Actions for Item 4, above.

I hereby state that, within 30 days, the actions described by me to the inspector will be taken to correct the violations identified. This statement of corrective actions is made in accordance with the requirements of 10 CFR 2.201 (corrective steps already taken, corrective steps which will be taken, date when full compliance will be achieved). I understand that no further written response to NRC will be required, unless specifically requested.

| Title | Printed Name | Signature | Date |
|---------------------------|---------------------------|-----------|----------|
| LICENSEE'S REPRESENTATIVE | | | |
| NRC INSPECTOR | Nilda S. Rivera Feliciano | /RA/ | 01/12/06 |

Docket File Information
**SAFETY INSPECTION REPORT
AND COMPLIANCE INSPECTION**

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|---|--|
| 1. LICENSEE Global Nuclear Fuel - Americas, LLC Castle Hayne Road Wilmington, NC 28401 REPORT NUMBER(S) 2005-006 | 2. NRC/REGIONAL OFFICE U.S. Nuclear Regulatory Commission Region II, Division of Fuel Facilities Inspection 61 Forsyth Street, Suite 23T85 Atlanta, GA 30303 |
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|---------------------------------------|---|---|
| 3. DOCKET NUMBER(S) 70-1113 | 4. LICENSE NUMBER(S) SNM-1097 | 5. DATE(S) OF INSPECTION December 12-16, 2005 |
|---------------------------------------|---|---|

6. INSPECTION PROCEDURES USED:
83822, 88050 (except sections 1.01, 1.02, 1.03, 1.04, and 1.06), 88056-63, 88065, and TI 2600/012.

SUPPLEMENTAL INSPECTION INFORMATION

PROGRAM SCOPE

The Global Nuclear Fuel facility converts UF₆ to produce fuel pellets which are fabricated into low-enriched uranium fuel for use in pressurized water reactors. During the period of the inspection, all operations were normal.

This routine, announced inspection involved the observation and evaluation of the licensee's performance during the biennial emergency response exercise and the evaluation of the radiation protection and the chemical safety programs. The inspection included observations of work and response activities, reviews of selected records and procedures, interviews with plant personnel and with exercise participants. The inspection reviewed the following aspects of the licensee programs and the exercise was considered minimally successful as outlined below:

Emergency Preparedness Exercise

- The simulated accident was adequate for assessing the site's emergency organization response to a fire involving radioactive materials and medical injuries. The scenario development for future exercises was an area for improvement to ensure that sufficient challenges were presented to the emergency organization such that all attributes of the emergency program were periodically demonstrated.
- Several examples of poor drillsmanship were observed as evidenced by exercise participants failure to respond to the simulated accident conditions as though real events were taking place.
- The inspectors observed examples of poor health physics practices by radiation technicians within the simulated area of contamination.
- The environmental assessment of the immediate incident area and the vicinity of the incident command location was inadequate in that no air samples were collected.
- The inspectors noted examples of poor performance in responding to the simulated injured personnel.

SUPPLEMENTAL INSPECTION INFORMATION

PROGRAM SCOPE (Continued)

Radiation Protection

- The licensee's implementation of the radiation protection program, procedures and audits were conducted in accordance with the regulations and license.
- The As Low As Reasonably Achievable (ALARA) program was conducted as required by the license and included the regulatory requirement for the annual review of the radiation protection program.
- The implementation of the radiological instrumentation, respiratory protection equipment and survey programs were observed to be in accordance with the regulations and license.
- Radiological exposures to workers and the public were documented and were a small fraction of the limits in 10 CFR Part 20.
- The implementation of the postings, labeling, controls, notifications and reports were observed to be in compliance with 10 CFR Parts 19 and 20.
- The licensee had taken appropriate actions to address the issues identified in response to Information Notice (IN) 95-051, "Recent Incidents Involving Loss of Control of Licensed Material."

Chemical Safety

- The process areas inspected were operated in accordance with the chemical safety requirements.
- The licensee had an adequate site-wide safety program and procedures which provided adequate control measures to carry out routine and non-routine tasks in a safe manner.
- The annual hazardous communications (HAZCOM) refresher training and the procedures available to the employees adequately addressed and informed the employees of possible chemical hazards. Plant personnel were adequately trained in emergency response procedures.
- Inspection, testing and maintenance of key chemical safety protection components for existing areas were adequately implemented to ensure availability and reliability.
- The incident investigation program was adequately implemented to ensure systematic and adequate handling of incident reporting and investigation at the facility.
- The conditions identified in IN 90-070, "Pump Explosions Involving Ammonium Nitrate," were not applicable to the licensee.

Items Opened, Closed, And Discussed

| <u>Item Number</u> | <u>Status</u> | <u>Description</u> |
|--------------------|---------------|--------------------|
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None