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February 27, 2006

Melanie A. Galloway, Chief
U.S. Nuclear Regulatory Commission
Division of Fuel Cycle Safety and Safeguards
Office of Nuclear Material Safety and Safeguards
Two White Flint North, 11545 Rockville Pike
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Rockville, MD 20852

Re: Fuel Cycle Facility Performance Indicators

Dear Ms. Galloway:

We understand that the NRC is in the process of engaging stakeholders to evaluate the feasibility of developing facility-specific performance indicators that could be of use in the NRC's licensing and oversight process for fuel cycle facilities. You indicate that the NRC Staff is considering a Performance Indicator ("PI") program that will have a combination of common PIs for all fuel cycle facilities and some facility-specific PIs based on each facility's specific processes. This letter responds to your request for input related to the Honeywell Metropolis UF₆ conversion facility.

At the threshold, we are not convinced that a PI program is necessary for fuel cycle licensees or that it is appropriate to include the Metropolis plant within such a PI program. The NRC currently possesses a number of mechanisms to provide oversight of NRC licensed operations at the Metropolis facility, and appears to be using those tools effectively. While Honeywell supports increasing regulatory efficiency as a general concept, we are concerned with the recent trend to higher NRC license fees and would not support new programs that could lead to even further fee increases. Moreover, the NRC's past focus in evaluating a PI program has been on plants subject to 10 C.F.R. Part 70 and Part 76 regulations. The Metropolis facility is not covered by either of these parts. The following responds to your specific questions.

- 1. What unique aspects of your facility do you believe should be taken into consideration as we proposed facility specific PIs?*

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Metropolis is a UF₆ conversion facility licensed under a Part 40 source material license. The plant utilizes processes that are very different from Part 70 or Part 76 fuel cycle facilities. Accordingly, it is not clear that generic PIs would be applicable. In developing facility-specific PIs, the unique chemical processes and radiological risks of the conversion plant would need to be addressed.

2. *What suggestions do you have for potential PIs and/or PI thresholds that might be applied specifically to your facility?*

Honeywell has not identified any PIs or PI thresholds at this time. We believe that the PI program that the NRC is considering should be addressed in an industry-wide context, coordinated with the Nuclear Energy Institute. Honeywell will participate in that process, to the extent a Part 40 is to be included in a PI program.

We certainly appreciate the opportunity to provide input. Note that there are no new regulatory commitments contained in this letter. Please contact me if you have any questions regarding this letter.

Sincerely,



David B. Edwards
Plant Manager

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