

May 11, 2007

Mr. David Edwards, Plant Manager
Honeywell International, Inc.
P.O. Box 430
Metropolis, IL 62960

SUBJECT: RENEWAL OF HONEYWELL METROPOLIS WORKS SOURCE
MATERIALS LICENSE NO. SUB-526

Dear Mr. Edwards:

By application dated May 27, 2005, you requested that your license be renewed for a period of ten (10) years. The review of the Environmental Report in support of the proposed action resulted in a Finding of No Significant Impact (FONSI), and was published in the *Federal Register* on August 10, 2006.

A review of the Safety Demonstration Report and License Application has been completed, and Source Materials License SUB-526, Amendment [0] renews the Honeywell Metropolis Works, Inc. (MTW) license for a period of 10 years. The license is now set to expire 10 years from the date of this letter. The staff review of your renewal request is documented in an enclosure to this letter.

As part of the renewal review the staff has also addressed several amendment requests you recently submitted.

- On December 27, 2006, you requested to amend your license to include two fixed radioactive gauges. The analysis of that request is included in Chapter 3.2 of the Technical Evaluation Report (TER), and the authorization to possess and utilize the gauges is included as License Conditions 9-16. The analysis and authorization are consistent with the recent amendment (issued on April 5, 2006) to your license.
- On February 9, 2007, you submitted an amendment request for an exemption to the 10 CFR 40.64 reporting requirements pertaining to your Nuclear Materials Management and Safeguards System. The analysis and approval of that exemption request is included in Chapter 6.9 of the TER and the specific approval is included as License Condition 21.
- On December 1, 2006, you submitted a request to be exempted from the provisions of 10 CFR Part 30, Appendix C. The review of that request is documented in Section 11.4 of the TER, and a time limited exemption was granted as reflected in License Condition 27.

The staff recognizes that the renewed license contains many new license conditions, some of which will require a transition period on your part to implement. Therefore, you are authorized 180 days, from the date of this letter, to achieve full implementation of the new license. However, within 30 days of the date of this letter, we request that you supply us with a schedule for the implementation of all commitments made in your licensing documents and for the license conditions with which you cannot immediately comply.

Enclosed are copies of the revised license and the TER that describes the basis for the staff's review and conclusions.

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

If there are any questions regarding this action, please contact the Project Manager, Michael G. Raddatz, by telephone at (301) 415-6334, or by email, to mgr@nrc.gov.

Sincerely,

/RA/

Gary S. Janosko, Deputy Director
Fuel Facility Licensing Directorate
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No.: 040-3392
License No.: SUB-526

cc:
John Tus, Honeywell
Larry Parscale, Honeywell
David Repka, Winston & Strawn
Bill Horin, Winston & Strawn

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Fuel Cycle Licensing Directorate
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Docket No.: 040-3392

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