

Specialty Materials

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U.S. Nuclear Regulatory Commission
Attention: Michael Raddatz, NMSS
Fuel Cycle Licensing Branch
Mail Stop T-8A33
Two White Flint North, 11545 Rockville Pike
Rockville, MD 20852-2738

SUB-526, Docket #40-3392.

Reference: NRC letter dated December 11, 2008 to Mr. Mitch Tillman subject Public Meeting Summary: Inspection and Licensing Issues Honeywell Specialty Chemicals, Docket Number 40-3392

Subject: REQUEST FOR ENFORCEMENT GUIDANCE / DISCRETION

Dear Mr. Raddatz:

On December 9, 2008, Honeywell representatives met with NRC Region II and Headquarters staff in Atlanta to discuss Inspection and Licensing Issues. In particular, we presented to NRC the results and planned actions from our self-analysis of licensing issues and requested NRC support for Honeywell's proposed plan for going forward. Of primary concerns to Honeywell were:

- Difficulties in working with the current ISA since its implementation over one year ago. Experience has shown that document has many inadequacies resulting in interpretation and application problems and the need for significant revision.
- Concerns in being able to manage the large number of actions required from our licensing issues self-analysis concurrent with pending regulatory requirements (e.g., Decommissioning and Part 40 re-write), and technology improvement efforts at the Metropolis plant.

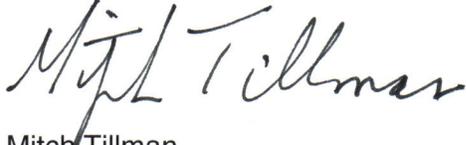
Our recommendation was to develop an Integrated Plan which contained the primary work activities and which was scheduled in a manner to allow Honeywell to apply appropriate resources and to ensure proper and successful management of all actions.

Additionally, it was Honeywell's request that NRC consider these proactive efforts identified by Honeywell, and give them appropriate consideration in the inspection process and the next Metropolis LPR process.

In conversations with NRC representatives, it was suggested that some form of Enforcement Guidance/Discretion might be discussed in light of the information presented by Honeywell. Accordingly, we are providing in the attachment, recommendations from Honeywell that can be used to begin this conversation, and we request your review and consideration of the attached recommendations as may be applicable to the development of an Enforcement Guidance document.

Please contact Mr. Larry V. Parscale at 618-645-0979 for additional discussion and follow-up on this subject.

Sincerely,

A handwritten signature in black ink that reads "Mitch Tillman". The signature is written in a cursive style with a large, stylized initial "M".

Mitch Tillman
Plant Manager

Attachment

cc: M. Greeno

ATTACHMENT

RECOMMENDATIONS FOR CONSIDERATION IN DEVELOPING AN ENFORCEMENT GUIDANCE DOCUMENT FOR HONEYWELL METROPOLIS

1. The Integrated Plan/Schedule (IPS) is included in this EGM and:
 - a) presents the detailed steps and schedule upon which this EGM is based
 - b) details of the IPS are the inspection milestones of this memorandum
 - c) will be reviewed at least quarterly with the NRC
 - d) may be modified to account for emergent activities
 - e) can be a basis for modifications made to this EGM
2. NRC Region Inspection Process
 - a) For Level IV Violations:
 - i) no response to NRC will be required
 - ii) corrective actions will be input into the Corrective Action Program (CAP)
 - b) This process will apply to all level IV violations (except as stated in 5.f) below) whether in the scope of the IPS or not
 - c) The inspection process will be expanded/modified to include review of the IPS milestone progress and/or completions and completion of CAP level IV actions
 - d) The Licensee Performance Review (LPR) process will be expanded/modified to include the provisions of this EGM
 - e) Level IV Violations issued in 2008 will be backfit into the LPR process as described in d) above
 - f) The inspection process will return to "normal" as items/programs in the IPS are completed and in accordance with this EGM
3. Emergent Items
 - a) NRC and HON MTW will discuss:
 - i) how emergent items are to be incorporated into the IPS
 - ii) the impact of emergent items to current plans and activities
 - iii) whether there is a basis for granting compliance date extensions based on the provisions contained in this EGM and IPS
4. Integrated Safety Analysis (ISA)
 - a) The milestones for development and implementation of a revised ISA will be included in the IPS and will be subject to the provisions contained herein
 - b) Upon completion of the revised ISA, the MTW license will be revised to incorporate a 20 year license renewal
 - c) Honeywell Metropolis will develop and implement a revised ISA subject to the requirements of 10CFR70 Subpart H (except as modified in e) below) and according to the IPS schedule. In the interim, the current ISA maintenance and enforcement guidance will be:
 - i) The analysis methodology contained in the current ISA will be maintained. The requirements of 10CFR70 Subpart H will not be applied (specifically the requirements of 70.72 will not be required).
 - ii) The Right Of Approval process for determining whether NRC pre-approval is required before changes to the ISA can be made, will be modified. The basis

for making determination of NRC pre-approval will be: if there is a decrease in Safety and/or program effectiveness as currently exists in the ISA, then NRC approval is required before the change can be made.

The basis for this change is that the current ISA has many deficiencies which have become the reason MTW has identified the need to re-write this ISA and move to the 10CFR70 Subpart H ISA. To continue with the current ISA under current Amendment processes will result in unnecessary and costly future amendments which will result in no increase in plant safety.

Examples of changes not requiring pre-NRC approval under the above provisions may include:

- a) identification of PFAPs no longer needed (discovery of inadequate conclusions in the ISA and PFAP was never required)
 - b) reduction and addition of PFAP boundaries (e.g. inclusion of PFAP equipment instrumentation loops as part of the PFAP boundary)
 - c) changes to wording of the ISA that meet the above approval requirements
- iii) For changes not requiring NRC pre-approval, MTW may make the change and:
- a) documentation of the change will be made according to MTW established process
 - b) the ISA may be revised according to the change
 - c) all supporting change information will be maintained and made ready as necessary for:
 - (1) NRC inspection and review purposes
 - (2) MTW maintenance of the ISA
- d) These provisions will remain effective until the revised ISA is developed, including necessary procedures/training/etc. and is made effective according to the IPS.
- e) All provisions/requirements of 10CFR70 Subpart H apply for Honeywell MTW except as pertain to criticality requirements. Additionally, the first paragraph of Appendix A to Part 70 is modified to read:

Licensees must comply with reporting requirements in this appendix. As required by 10CFR 70.74, licensees subject to the requirements in subpart H of part 70, shall report:

- f) Violations resulting from inadequacies in current ISA will be subject to enforcement discretion and will not be cited. They will be considered in development of revised ISA.