

Specialty Materials

Honeywell
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July 10, 2009

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ATTN: Document Control Desk
Director, Office of Nuclear Material Safety Safeguards
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Docket No. 40-3392
License No. SUB-256

RE: REPLY TO A NOTICE OF VIOLATION
NRC INSPECTION REPORT 40-3392/2009-002 AND NOTICE OF VIOLATION

Dear Sirs:

This letter is our response to the NRC Inspection Report 40-3392/2009-002 and Notice of Violation.

During an NRC inspection conducted on May 4-15, 2009, a violation of NRC requirements was identified. In accordance with the Enforcement Policy, the violation is listed below.

10 CFR 40.60(b)(1) states that each licensee shall notify the NRC within 24 hours after the discovery of an unplanned contamination event that, in part,

- (i) required access to the contaminated area, by workers or the public, to be restricted for more than 24 hours by imposing additional radiological controls or by prohibiting entry into the area; and,
- (ii) involves a quantity of material greater than five times the lowest annual limit on intake specified in Appendix B of 20.1001-20.2401 of 10 CFR Part 20 for the material.

Contrary to the above, the licensee failed to notify the NRC within 24 hours after the discovery of unplanned contamination events that required access to the contaminated area to be restricted for the workers for more than 24 hours by imposing additional radiological controls and involved quantities greater than five times the lowest annual limit on intake as specified in Appendix B of 10 CFR 20.

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Specifically, 37 unplanned contamination events were identified between the period of October 17, 2008, and March 29, 2009, that had not been reported to the NRC.

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

Reason for Violation:

Each of 37 events referenced in the Notice of Violation involved leakage from processing equipment located in the Feeds Material Building, (FMB). The material involved in each case was either natural uranium, or UF₄ (Green Salt), in the form of a dry powder or dust. It is believed in each case the quantity of material exceeded 5 times the lowest ALI as specified in 10 CFR 40.60(b)(1)(ii), which for this material is less than 3 grams.

The previous interpretation of 10 CFR 40.60 (b)(1) requirement historically applied, considered the event planned, if at the first indication of leakage, mitigating actions were initiated. However, the more conservative interpretation considers the event unplanned, if mitigating measures were not already in place for a planned activity at the time of discovery. The historical misinterpretation of 10 CFR 40.60 (b)(1) caused 37 failures to meet 24-hour reporting requirements during the period 10/17/08 through 03/29/09.

How reportable events will be determined in the future:

Guidance provided to Production personnel for initiating reportability evaluation considers an unplanned contamination event as "any event involving a release of contamination for which we were not prepared to manage." The 24-hour clock starts when the event is first observed. Other 10 CFR 40.60(b)(1) criteria will then be applied by designated Production, Health Physics, and Regulatory Affairs personnel to ensure the correct reportability determination is made. Corrective actions described below will provide appropriate guidance on how reportability determinations are made.

Actions Taken and Results Achieved:

Provide interim guidance to Production supervision to ensure proper application of 10 CFR 40.60 reportability requirements for unplanned contamination events. Target date: 5/15/09. This item was completed as described.

Corrective Actions Planned to Avoid Further Violations:

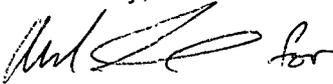
1. Production Management provide guidance/direction as appropriate to production supervision to ensure proper application of 10 CFR 40.60 reportability requirements for unplanned contamination events. Target date: 7/15/09
2. Incorporate formal guidance into Radiation Protection Program procedure to ensure proper application of 10 CFR 40.60 reportability requirements for unplanned contamination events. Target date: 8/21/09

Date When Full Compliance Will Be Achieved:

Interim action has returned Honeywell-MTW to compliance, and implementing corrective actions planned 1 and 2 above, will ensure maintaining full compliance with the requirements of the license by August 31, 2009.

If you have additional questions, please contact Mr. Michael Greeno, Regulatory Affairs manager, at 618-309-5005.

Sincerely,



Mitch Tillman
Plant Manager

Cc: File – RMDC
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