



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
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ATLANTA, GEORGIA 30303-8931

August 4, 2009

Ms. Lisa Price
Senior Vice President, Fuel Cycle
Global Nuclear Fuel – Americas, L.L.C.
P.O. Box 780, Mail Code J20
Wilmington, NC 28402

**SUBJECT: LICENSEE PERFORMANCE REVIEW FOR GLOBAL NUCLEAR FUEL-
AMERICAS, DOCKET NUMBER 70-1113**

Dear Ms. Price:

The NRC Region II and Headquarters staffs completed a review of the Global Nuclear Fuel - Americas (Global) fabrication facility inspection results and performance in conducting NRC licensed activities. The review covered the period beginning May 22, 2007, and ending May 22, 2009. Global's performance was evaluated in the following areas: Safety Operations, Safeguards, Radiological Controls, Facility Support, and Special Topics. This letter and the enclosure provide to you the results of our review, and will be used as a basis for establishing the NRC oversight program for your conduct of licensed activities during the next 24 months.

The review showed that Global continued to conduct its activities safely and securely; protecting public health and the environment. Based on the review, NRC identified that your performance in the area of Safety Operations needs improvement.

During the previous performance review, NRC identified an area needing improvement associated with implementation of procedures for maintenance and surveillance of safety controls to ensure these safety controls can perform their intended function. During the current performance review, NRC identified similar aspects of plant performance that warrant management attention. The results of the inspections at your facility indicate there are recurring, risk-significant performance issues with identification and implementation of safety controls. As part of your efforts to improve performance in this area, Global management should evaluate any common causes that underlie the regulatory violations described in the Enclosure; review the effectiveness of prior corrective actions; and take appropriate action. The NRC will conduct additional inspection effort in the area of Safety Operations to assess the effectiveness of Global's actions.

The results of our review will be discussed with you during a meeting open to the public on September 1, 2009. The area needing improvement is summarized in the enclosure to this letter.

During the meeting, we expect you to discuss your view of your performance in the same major areas that the NRC evaluated and describe your plans to improve performance in identification and implementation of safety controls.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure 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 (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Questions and comments about NRC's review of Global's performance should be directed to Mr. Daniel Rich, who can be reached by telephone at 404-562-4721.

Sincerely,

/RA/

Eugene W. Cobey, Deputy Director
Division of Fuel Facility Inspection

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

Enclosure: Licensee Performance Review

cc w/encl:
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Distribution w/encl: (See page 3)

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- PUBLIC

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 NON-SENSITIVE

ADAMS: X Yes ACCESSION NUMBER: _____

X SUNSI REVIEW COMPLETE

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NAME	RGibson	DRich	MErnstes	PHabighorst			
DATE	8/ /2009	6/ /2009	6/ /2009	6/ /2009	8/ /2009	8/ /2009	8/ /2009
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

LICENSEE PERFORMANCE REVIEW FOR GLOBAL NUCLEAR FUEL

ASSESSMENT PERIOD: MAY 22, 2007 TO MAY 22, 2009

The following is a summary of the performance of Global Nuclear Fuel's facility in the conduct of NRC-licensed activities.

PERFORMANCE AREA: SAFETY OPERATIONS

This area is comprised of plant operations, nuclear criticality safety (NCS), fire protection and plant modifications.

Program Areas Needing Improvement

- In the area of safety operations, NRC identified three examples of a Severity Level III problem and three Severity Level IV violations. The violations indicate there are recurring, risk-significant performance issues with identification and implementation of safety controls. Global management should evaluate any common causes that underlie the regulatory violations; review the effectiveness of prior corrective actions; and take appropriate action.

Severity Level III Violation, with three examples

- ▶ Failure to assure double contingency during maintenance operations on the Line 2 powder cooling hopper hatch valve (Violation (VIO) 2008-04-01).
- ▶ Failure to establish an adequate criticality safety program including appropriate procedures to assess normal and credible abnormal conditions (VIO 2008-04-02).
- ▶ Failure to conduct licensed material processing or other licensed activities on Dry Conversion Process L2-A with a properly issued and approved practice or procedure (VIO 2008-04-03).

Three Severity Level IV Violations

- ▶ Failure to verify the composition or periodically verify the integrity of polyvinyl chloride pipe in the gadolinia slugger press (VIO 2007-203-02).
- ▶ Failure to ensure that criticality controls in the new revision of the Integrated Safety Analysis were current and properly documented (VIO 2007-203-03).
- ▶ Failure to perform a functional test of an item relied on for safety (IROFS) before closing a change request and releasing the IROFS to operation (VIO 2008-08-02).

Enclosure

Recommended NRC inspection Effort in Safety Operations

- Increase core inspection hours for nuclear criticality safety program (Inspection Procedures 88015, 88016, 88017, and 88020).

PERFORMANCE AREA: SAFEGUARDS

This area is comprised of material control and accountability, physical protection and classified material and information security.

Program Areas Needing Improvement

- No specific areas needing improvement were identified in Safeguards.

Recommended NRC inspection Effort in Safeguards

- Maintain the core inspection effort

PERFORMANCE AREA: RADIOLOGICAL CONTROLS

This area is comprised of radiation protection, environmental protection, waste management, and transportation.

Program Areas Needing Improvement

- No specific areas needing improvement were identified in Radiological Controls.

Recommended NRC inspection Effort in Radiological Controls

- Maintain the core inspection effort

PERFORMANCE AREA: FACILITY SUPPORT

This area is comprised of maintenance and surveillance, management organization and controls, training and emergency preparedness.

Program Areas Needing Improvement

- No specific areas needing improvement were identified in Facility Support.

Recommended NRC inspection Effort in Facility Support

- Maintain the core inspection effort

PERFORMANCE AREA: SPECIAL TOPICS

This area is comprised of safety licensing.

Program Areas Needing Improvement

No specific areas needing improvement were identified in Special Topics – Licensing.