

**INSPECTION REPORT**

1. LICENSEE OR CERTIFICATE HOLDER/LOCATION INSPECTED: Global Nuclear Fuel - Americas, L.L.C. P.O. Box 780 Wilmington, NC 28402		2. NRC/REGIONAL OFFICE: U.S. Nuclear Regulatory Commission Region II 61 Forsyth Street, Suite 23T85 Atlanta, GA 30303-8931	
REPORT NO: 2010-001			
3. DOCKET NUMBER: 70-1113	4. LICENSE OR CERTIFICATE NUMBER: SNM-1097	5. DATE(S) OF INSPECTION: January 25 – 29, 2010	

LICENSEE OR CERTIFICATE HOLDER:

The inspection was an examination of the activities conducted under your license or certificate as they relate to safety and/or safeguards and to compliance with the Nuclear Regulatory Commission (NRC) rules and regulations and the conditions of your license or certificate. The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector. The inspection findings are as follows:

- 1. Based on the inspection findings, no violations were identified.
- 2. Previous violation(s) closed.
- 3. Reported events reviewed
- 4. The violation(s), specifically described to you by the inspector as non-cited violations, are not being cited because they were self-identified, non-repetitive, and corrective action was or is being taken, and the remaining criteria in the NRC Enforcement Policy, to exercise discretion, were satisfied.  
Non-Cited Violation(s) was/were discussed involving the following requirement(s) and Corrective Action(s):

- 5. During this inspection, certain of your activities, as described below and/or attached, were in violation of NRC requirements and are being cited. This form is a NOTICE OF VIOLATION, which may be subject to posting in accordance with 10 CFR 19.11.  
(Violations and Corrective Actions)

LICENSEE OR CERTIFICATE HOLDER STATEMENT OF CORRECTIVE ACTIONS FOR ITEM 5, ABOVE

I hereby state that, within 30 days, the actions described by me to the inspector will be taken to correct the violation(s) identified. This statement of corrective actions is made in accordance with the requirements of 10 CFR 2.201 (corrective steps already taken, corrective steps which will be taken, date when full compliance will be achieved). I understand that no further written response to the NRC will be required, unless specifically requested.

Title	Printed Name	Signature	Date
LICENSEE/CERTIFICATE HOLDER REPRESENTATIVE			
NRC INSPECTOR	P. Startz	/RA by DRich for/	2/23/2010

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6. INSPECTOR(S): P. Startz

7. INSPECTION PROCEDURES USED: 88005, 88010

### EXECUTIVE SUMMARY

#### Summary of Plant Status

- The Global Nuclear Fuel - Americas facility converts uranium hexafluoride into uranium dioxide and fabricates fuel assemblies for use in commercial nuclear power reactors. During the inspection period, normal production activities were ongoing. This inspection was a routine announced activity to evaluate compliance and effectiveness of the licensee's management organization and controls, and the training program. The inspection identified the following aspects of the licensee programs as outlined below:

#### Management Organization and Controls (88005)

- The inspector reviewed management changes during the last year. Significant management changes included a new chief operating officer and a new environmental health and safety manager. The chief operating officer was promoted from within the company and had completed training requirements. The new environmental health and safety manager had been previously employed by the licensee and was recently rehired. The new environmental health and safety manager was scheduled to complete training requirements within the 30-day training period. The inspector determined that the qualifications of the new management complied with licensee requirements. No findings of significance were identified.
- The inspector reviewed several examples of the licensee's problem identification and resolution program to determine if the program was being conducted in accordance with the licensee's procedures and license conditions. The licensee utilizes a computerized document management program referred to as the Unusual Incident Report (UIR) to manage problem identification and resolution activities. The inspector reviewed multiple samples of UIR's related to items relied on for safety (IROFS). No findings of significance were identified.
- The inspector reviewed the Safety Council meeting minutes for 2009. The inspector noted that meeting minutes contained lists of old safety concerns, new business, first aid incidents, item completion and closure activities. No findings of significance were identified.
- The inspector reviewed samples of operating procedures and production equipment undergoing revisions and modifications to ensure the changes were conducted in accordance with the licensee's configuration management guidelines. Revisions to operating procedures and facility equipment changes are initiated, revised, reviewed, approved for release, and controlled by a computerized document management system. No findings of significance were identified.

## EXECUTIVE SUMMARY (Continued)

- The inspector performed walk downs of the production facility to review activities in progress and to determine if risk significant equipment modifications were in compliance with plant procedure P&P 10-10, "Configuration Management – Fuel Manufacturing". The inspector concentrated on production area equipment such as items relied upon for safety (IROFS), ongoing equipment modifications, and other safety significant issues. No findings of significance were identified. During follow up discussions, the licensee committed to adding distinctive labeling to all IROFS items. The new labels were predicted to improve identification of IROFS and would improve the effectiveness of their configuration management efforts.
- The inspector evaluated the licensee's surveillance program related to periodic inspection and cleanout of a floor trench in the sintering furnace area. The inspector reviewed surveillance documents indicating the sintering furnace trench had been cleaned out and the debris had been evaluated for uranium content in accordance with the requirements. The inspector also inquired about requirements for periodic inspections and cleanout of three large ventilation floor trenches in the moderator restricted area and surveillance testing of moisture detectors that would warn personnel of the presence of water in the three ventilation trenches. According to the licensee, periodic clean outs of the ventilation trenches were performed by production crews as part of normal housekeeping efforts. The licensee committed to establishing a periodic and formalized cleanout procedure for the three ventilation trenches consistent with requirements for the sintering furnace trench. The licensee also committed to establish periodic testing of the six moisture sensors as part of their formalized surveillance testing program. No other findings of significance were identified.

### Operator Training (IP 88010)

- The inspector evaluated the training program structure and determined that no substantive programmatic changes had occurred during the last year. The training program elements reviewed by the inspector were in compliance with license requirements and regulations. No findings of significance were identified.
- The inspector reviewed a sample of training records that included initial and annual refresher general employee training and job specific production training. Training requirements reviewed by the inspector were implemented and maintained for licensee employees and contractors in accordance with license requirements. No findings of significance were identified.
- The inspector reviewed training programs for production line operators. Operators received initial formalized training and testing for the specific equipment they would be operating. Documented on-the-job training and demonstration of competence was required prior to final approval and unsupervised equipment operation. No findings of significance were identified with the operator training documentation reviewed by the inspector.
- Recurrent training for production operators was maintained by a computerized management system referred to as the knowledge and training system (KATS). The operator log-in process in the production facility automatically crosschecked current operator requirements against current procedural requirements to ensure the operator had completed review of the latest procedure revisions. The KATS system would selectively lock out personnel if they had not met currency requirements. If necessary, the operator could have read the latest revisions, requalified, and immediately performed production operations. No findings of significance were identified with the automated training management program.

EXECUTIVE SUMMARY (Continued)

Violation Follow Up

- The inspector followed up on the status of violation 70-1113/2009-05-01. The violation described that the fire sprinkler system adjacent to the gadolinia furnace was not in accordance with National Fire Protection Association Standards 13, Standards for the Installation of Sprinkler Systems. The inspector reviewed the licensee's corrective actions that included the installation of new sprinklers. The inspector concluded that the implementation of corrective action was adequate and the violation was closed.

Exit Meeting Summary

- The inspection scope and results were summarized on January 29, 2010, with Mr. Sean Fuller, and members of his staff. No dissenting comments were received.

Key Points of Contact

<u>Name</u>	<u>Title</u>
S. Fuller	Global Nuclear Fuel Chief Operating Officer and Facility Manager
J. Reynolds	Manger, Fuels Environmental Health and Safety
S. Murray	Manager, Licensing & Liabilities
P. Ollis	Licensing & Liabilities Engineer
J Zino	Manager, Global Criticality Safety
M Dodds,	Senior Criticality Safety Engineer
E. Anderson	Manager, Emergency Preparedness and Site Security, GNF
M Grimstead	Manager, Training

List of Items Opened, Closed, Discussed

<u>Item Number</u>	<u>Status</u>	<u>Description</u>
VIO 70-1113/2009-05-01	CLOSED	Fire sprinkler system near gadolinia sintering furnace not in accordance with NFPA 13, sprinkler heads were blocked with duct.