

Specialty Materials

Honeywell
P.O. Box 430
2768 North US 45 Road
Metropolis, IL 62960

October 29, 2010

Certified Mail: 7009 1410 0001 3772 3568

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

SUB-526
Docket # 40-3392.

Subject: AMENDMENT APPLICATION TO MODIFY LICENSE CONDITION 21
OF USNRC SOURCE MATERIALS LICENSE, HONEYWELL
METROPOLIS WORKS

Attached is Honeywell's application for amendment to Metropolis Works USNRC Source Materials License SUB-526 to revise License Condition 21 (LC 21).

The existing license condition LC 21 states:

Honeywell shall within 10 days of receipt of source material, report to the NMMSS database, the shipper's value of the natural uranium. Shipper's values shall be reported (blocks 1 through 27s of DOE/NRC form 741) as required in Section 2.1.1 of NUREG/BR-0006. To ensure that the values reported are correctly posted, Honeywell shall compare, on a monthly basis, its weights of natural uranium it has received with weight values contained in NMMSS database, and provide corrections as necessary. The final quantity determination, as agreed upon with the supplier, shall be reported to the NMMSS database within 10 days of the date on which the agreement is finalized.

The revised LC 21 shall state:

Honeywell shall within 10 days of receipt of source material, report to the NMMSS database, the shipper's value of the natural uranium. Shipper's values shall be reported (blocks 1 through 27s of DOE/NRC form 741) as required in Section 2.1.1 of NUREG/BR-0006. The final quantity determination, as agreed upon with the supplier, shall be reported to the NMMSS database within 10 days of the date on which the agreement is finalized.

NMSS01

Over the past few years, Honeywell has been undergoing considerable organizational changes, including increased resource availability and competence. According to the latest inventory management program audit, these changes have resulted in significant progress in the inventory management, including NMMSS reporting and record reconciliation process improvement. Following the programmatic audit, Honeywell initiated a regulatory basis and effectiveness analysis of its material accountability process. This analysis also included consultations with the NMMSS staff and peer industry organizations.

This analysis determined that the only Honeywell License Condition related to the inventory management is LC 21. This condition reiterates 10 CFR 40.64(a) requirement that "...each licensee who receives the material shall submit a Nuclear Material Transaction Report in computer-readable format in accordance with instructions within ten (10) days after the material is received..." and proscribes that Honeywell reports to NMMSS database shall be compliant with NUREG/BR-0006 requirements.

In addition, LC 21 requires that Honeywell "...compare, on a monthly basis, its weights of natural uranium it has received with weight values contained in NMMSS database, and provide corrections as necessary." This stipulation was included in the Honeywell's Source Materials License at the time of its renewal in 2007 as an attempt to improve the site's inventory management. This stipulation does not represent any regulatory requirement or guideline. Our analysis of 3-year operation under the renewed license indicates that, the natural uranium weights comparison may be useful for NMMSS-licensee data management. At the same time, our communications with NMMSS staff and other licensees indicate that uranium weight comparisons performed on a mandated monthly basis are largely exceeding NMMSS staff expectations and industry practices. Moreover, the weight reconciliations conducted with a proscribed monthly frequency require substantial Honeywell and NMMSS resource investments which appear to be unwarranted and consume resources that could be otherwise directed to other program areas.

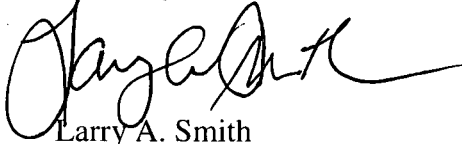
This proposed change had been reviewed and evaluated using Honeywell's configuration management process as described in 2.6.3. of the License Application. As determined by this evaluation, the proposed change will not adversely affect the level of safety and material control as described in the License Application and/or any other licensing basis document.

Honeywell will ensure compliance with regulatory and license requirements and policies and procedures applicable to material security, control and inventory management. The site will continue to implement improvements in its material control and accountability programs, including establishing an alternative uranium weight comparison process on an "as warranted" basis.

Based on aforementioned considerations, we request to modify License Condition 21 by removing the requirement "...compare, on a monthly basis, its weights of natural uranium it has received with weight values contained in NMMSS database, and provide corrections as necessary."

If you have any questions on the submitted information or other issues associated with the Honeywell Metropolis Works license amendment, please contact Mr. Michael Greeno, Regulatory Affairs Manager, at 618-309-5005.

Sincerely,



Larry A. Smith
Plant Manager

Enclosure

cc:

Attention: Tilda Liu, NMSS Project Manager
Mail Stop EBB 2-C40M
U.S. Nuclear Regulatory Commission
Washington, DC 30555-0001

Michael Greeno
Jason Cybulski
Lidia Litinski

NRC FORM 313

U.S. NUCLEAR REGULATORY COMMISSION

APPROVED BY OMB: NO. 3150-0120

EXPIRES: 10/31/2008

(10-2005)
10 CFR 30, 32, 33,
34, 35, 36, 39, and 40

Estimated burden per response to comply with this mandatory collection request: 4.4 hours. Submittal of the application is necessary to determine that the applicant is qualified and that adequate procedures exist to protect the public health and safety. Send comments regarding burden estimate to the Records and FOIA/Privacy Services Branch (T-5 F53), U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, or by internet e-mail to infocollects@nrc.gov, and to the Desk Officer, Office of Information and Regulatory Affairs, NEOB-10202, (3150-0120), Office of Management and Budget, Washington, DC 20503. If a means used to impose an information collection does not display a currently valid OMB control number, the NRC may not conduct or sponsor, and a person is not required to respond to, the information collection.

APPLICATION FOR MATERIAL LICENSE

INSTRUCTIONS: SEE THE APPROPRIATE LICENSE APPLICATION GUIDE FOR DETAILED INSTRUCTIONS FOR COMPLETING APPLICATION. SEND TWO COPIES OF THE ENTIRE COMPLETED APPLICATION TO THE NRC OFFICE SPECIFIED BELOW.

APPLICATION FOR DISTRIBUTION OF EXEMPT PRODUCTS FILE APPLICATIONS WITH:

DIVISION OF INDUSTRIAL AND MEDICAL NUCLEAR SAFETY
OFFICE OF NUCLEAR MATERIALS SAFETY AND SAFEGUARDS
U.S. NUCLEAR REGULATORY COMMISSION
WASHINGTON, DC 20555-0001

ALL OTHER PERSONS FILE APPLICATIONS AS FOLLOWS:

IF YOU ARE LOCATED IN:

ALABAMA, CONNECTICUT, DELAWARE, DISTRICT OF COLUMBIA, FLORIDA, GEORGIA, KENTUCKY, MAINE, MARYLAND, MASSACHUSETTS, MISSISSIPPI, NEW HAMPSHIRE, NEW JERSEY, NEW YORK, NORTH CAROLINA, PENNSYLVANIA, PUERTO RICO, RHODE ISLAND, SOUTH CAROLINA, TENNESSEE, VERMONT, VIRGINIA, VIRGIN ISLANDS, OR WEST VIRGINIA, SEND APPLICATIONS TO:

LICENSING ASSISTANCE TEAM
DIVISION OF NUCLEAR MATERIALS SAFETY
U.S. NUCLEAR REGULATORY COMMISSION, REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PA 19406-1415

IF YOU ARE LOCATED IN:

ILLINOIS, INDIANA, IOWA, MICHIGAN, MINNESOTA, MISSOURI, OHIO, OR WISCONSIN, SEND APPLICATIONS TO:

MATERIALS LICENSING BRANCH
U.S. NUCLEAR REGULATORY COMMISSION, REGION III
2443 WARRENVILLE ROAD, SUITE 210
LISLE, IL 60532-4352

ALASKA, ARIZONA, ARKANSAS, CALIFORNIA, COLORADO, HAWAII, IDAHO, KANSAS, LOUISIANA, MONTANA, NEBRASKA, NEVADA, NEW MEXICO, NORTH DAKOTA, OKLAHOMA, OREGON, PACIFIC TRUST TERRITORIES, SOUTH DAKOTA, TEXAS, UTAH, WASHINGTON, OR WYOMING, SEND APPLICATIONS TO:

NUCLEAR MATERIALS LICENSING BRANCH
U.S. NUCLEAR REGULATORY COMMISSION, REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TX 76011-4005

PERSONS LOCATED IN AGREEMENT STATES SEND APPLICATIONS TO THE U.S. NUCLEAR REGULATORY COMMISSION ONLY IF THEY WISH TO POSSESS AND USE LICENSED MATERIAL IN STATES SUBJECT TO U.S. NUCLEAR REGULATORY COMMISSION JURISDICTIONS.

1. THIS IS AN APPLICATION FOR (Check appropriate item)

- A. NEW LICENSE
- B. AMENDMENT TO LICENSE NUMBER Sub-526 Docket40-3392
- C. RENEWAL OF LICENSE NUMBER _____

2. NAME AND MAILING ADDRESS OF APPLICANT (Include ZIP code)

Honeywell Metropolis Works
2768 North US 45 Road
Metropolis, IL 62960

3. ADDRESS WHERE LICENSED MATERIAL WILL BE USED OR POSSESSED

2768 North US 45 Road
Metropolis, IL 62960

4. NAME OF PERSON TO BE CONTACTED ABOUT THIS APPLICATION

Michael Greeno, Regulatory Affairs Manager

TELEPHONE NUMBER

(618) 309-5005

SUBMIT ITEMS 5 THROUGH 11 ON 8-1/2 X 11" PAPER. THE TYPE AND SCOPE OF INFORMATION TO BE PROVIDED IS DESCRIBED IN THE LICENSE APPLICATION GUIDE.

5. RADIOACTIVE MATERIAL
a. Element and mass number; b. chemical and/or physical form; and c. maximum amount which will be possessed at any one time.

6. PURPOSE(S) FOR WHICH LICENSED MATERIAL WILL BE USED.

7. INDIVIDUAL(S) RESPONSIBLE FOR RADIATION SAFETY PROGRAM AND THEIR TRAINING EXPERIENCE.

8. TRAINING FOR INDIVIDUALS WORKING IN OR FREQUENTING RESTRICTED AREAS.

9. FACILITIES AND EQUIPMENT.

10. RADIATION SAFETY PROGRAM.

11. WASTE MANAGEMENT.

12. LICENSE FEES (See 10 CFR 170 and Section 170.31)

FEE CATEGORY	AMOUNT ENCLOSED	\$
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13. CERTIFICATION. (Must be completed by applicant) THE APPLICANT UNDERSTANDS THAT ALL STATEMENTS AND REPRESENTATIONS MADE IN THIS APPLICATION ARE BINDING UPON THE APPLICANT.

THE APPLICANT AND ANY OFFICIAL EXECUTING THIS CERTIFICATION ON BEHALF OF THE APPLICANT, NAMED IN ITEM 2, CERTIFY THAT THIS APPLICATION IS PREPARED IN CONFORMITY WITH TITLE 10, CODE OF FEDERAL REGULATIONS, PARTS 30, 32, 33, 34, 35, 36, 39, AND 40, AND THAT ALL INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF.

WARNING: 18 U.S.C. SECTION 1001 ACT OF JUNE 25, 1948 62 STAT. 749 MAKES IT A CRIMINAL OFFENSE TO MAKE A WILLFULLY FALSE STATEMENT OR REPRESENTATION TO ANY DEPARTMENT OR AGENCY OF THE UNITED STATES AS TO ANY MATTER WITHIN ITS JURISDICTION.

CERTIFYING OFFICER -- TYPED/PRINTED NAME AND TITLE

Larry A. Smith, Plant Manager

SIGNATURE

DATE

10/29/10

FOR NRC USE ONLY

TYPE OF FEE	FEE LOG	FEE CATEGORY	AMOUNT RECEIVED	CHECK NUMBER	COMMENTS
			\$		
APPROVED BY				DATE	