UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
245 PEACHTREE CENTER AVENUE NE, SUITE 1200
ATLANTA, GEORGIA 30303-1257

March 7, 2011

Ms. Nicole Holmes
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. Holmes:

The Nuclear Regulatory Commission (NRC) Region II and Headquarters staff completed a review of the Global Nuclear Fuel - Americas (GNF-A) fabrication facility inspection results and performance in conducting NRC licensed activities. The review covered the period beginning May 23, 2009, and ending December 31, 2010. The performance of GNF-A was evaluated in the following areas: Safety Operations, Radiological Controls, Facility Support, and Special Topics. This letter and Enclosure 1 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 review period. The review concluded that GNF-A continued to conduct its activities safely and securely, protecting public health and the environment. Details regarding the Safeguards portion of the review are documented in a separate letter marked "Official Use Only – Security-Related Information" due to the sensitive nature of the subject matter.

During the current performance review, the NRC concluded that the area of Safety Operations remained an area needing improvement. This area remains an area needing improvement because the NRC had, in a previous performance review, identified a programmatic breakdown associated with your Integrated Safety Analysis (ISA) program and the corrective actions are not yet complete. The NRC will continue to conduct additional inspection effort in the area of Safety Operations to assess the effectiveness of your corrective actions.

The results of our review will be discussed with you during a meeting open to the public on April 26, 2011. The area needing improvement is summarized in the Enclosure 1 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.

Enclosure 2 to this letter details the inspections, less those related to physical protection, scheduled through December 31, 2011. The inspection plans are provided to allow for the resolution of any scheduling conflicts and personnel availability issues well in advance of inspector arrival onsite. These inspection plans are tentative and may be revised as circumstances warrant.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosures 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 GNF-A's performance should be directed to Mr. Marvin Sykes, who can be reached by telephone at 404-997-4629.

Sincerely,

/RA/

Anthony T. Gody, Director
Division of Fuel Facility Inspection

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

Enclosure 1: Licensee Performance Review
Enclosure 2: Calendar Year 2011 Inspection Schedule

cc w/encls:
Scott Murray, Manager
Facility Licensing
Global Nuclear Fuels – Americas, L.L.C.
Electronic Mail Distribution

Beverly Hall, Chief
Radiation Protection Section
N.C. Department of Environmental Commerce
& Natural Resources
Electronic Mail Distribution

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Enclosures: As stated

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N.C. Department of Environmental Commerce
& Natural Resources
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X PUBLICLY AVAILABLE X NON-PUBLICLY AVAILABLE ☐ SENSITIVE X NON-SENSITIVE

ADAMS: X Yes ACCESSION NUMBER: ML110660371 X SUNSI REVIEW COMPLETE

OFFICE	RII:DFFI	RII:DFFI	RII:DFFI	NMSS		
SIGNATURE	MT	MDS	AT	JK		
NAME	MThomas	MSykes	AGody	JKinneman		
DATE	3/ /2011	3/ /2011	3/ /2011	3/ /2011	3/ /2011	
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

OFFICIAL RECORD COPY DOCUMENT NAME: G:\DNMSII\FFBII\ASSESS\LICENSEE\GNF-A\LPR PERIOD ENDING 12312010\TRANSMITTAL LETTER.DOCX

Letter to Ms. Nicole Holmes from Anthony T. Gody dated March 7, 2011.

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

Distribution w/encls:
M. Sykes, RII
M. Thomas, RII
J. Kinneman, NMSS
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LICENSEE PERFORMANCE REVIEW FOR GLOBAL NUCLEAR FUEL-AMERICAS (GNF-A)
ASSESSMENT PERIOD: MAY 23, 2009 TO DECEMBER 31, 2010

The following is a summary of the performance of GNF-A in the conduct of NRC licensed activities.

PERFORMANCE AREA: SAFETY OPERATIONS

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

Program Areas Needing Improvement

During the current performance review, the NRC concluded that the area of Safety Operations remained an area needing improvement. This area remains an area needing improvement because the NRC had, in a previous performance review (ML092160459), identified a programmatic breakdown associated with your Integrated Safety Analysis (ISA) program and the corrective actions are not yet complete.

VIO 70-1113/2010-003-01	Failure to identify credible accident scenarios as specified by the license.
VIO 70-1113/2010-003-02	Failure to characterize criticality accident scenarios in the Integrated Safety Analysis as high consequence events as specified by the license.
VIO 70-1113/2010-003-03	Failure to designate engineered or administrative controls as items relied on for safety when necessary to comply with the performance requirements of Title 10 of the *Code of Federal Regulations* (10 CFR), Part 70, Section 61.
VIO 70-1113/2009-006-02	Failure to submit a complete summary of changes to the ISA Summary.
VIO 70-1113/2010-002-01	Failure to report within 24 hours of discovery, a loss or degradation of an item relied on for safety that resulted in the failure to meet the performance requirement of 10 CFR 70.61(b).

Recommended Change to NRC Inspection Effort

The NRC will continue to conduct additional inspection effort in the area of Safety Operations to assess the effectiveness of your corrective actions.

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 Change to NRC Inspection Effort

- Maintain the core inspection effort.

PERFORMANCE AREA: FACILITY SUPPORT

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

Program Areas Needing Improvement

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

Recommended Change to NRC Inspection Effort

- 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.

Recommended Change to NRC Inspection Effort

- Maintain the core inspection effort.

07001113 - GNF-A

Inspection / Activity Plan

01/01/2011 - 12/31/2011

Unit Number	Planned Dates Start	End	Inspection Activity	Title	No. of Staff on Site
			1ST	- 1ST QTR INTEGRATED INSPECTION	1
1	01/01/2011	03/31/2011	IP 92701	Followup	
			OT/MO	- OT/MO	1
1	01/24/2011	01/28/2011	IP 88005	Management Organization And Controls	
1	01/24/2011	01/28/2011	IP 88010	Operator Training/Retraining	
			FPA/OPS	- ANNUAL FP AND FIRST OPS	2
1	02/20/2011	03/11/2011	IP 88020	Operational Safety	
1	02/20/2011	03/11/2011	IP 88055	Fire Protection (Annual)	
			2ND	- 2ND QTR INTEGRATED INSPECTION	1
1	04/01/2011	06/30/2011	IP 92701	Followup	
			MS	- MS	1
1	04/11/2011	04/15/2011	IP 88025	Maintenance And Surveillance Testing	
			NCS	- NCS	2
1	05/09/2011	05/13/2011	IP 88015	Criticality Safety	
			OPS	- OPS	1
1	05/16/2011	05/20/2011	IP 88020	Operational Safety	
			PPM	- PPM	2
1	06/20/2011	06/24/2011	IP 88070	Permanent Plant Modifications	
			3RD	- 3RD QTR INTEGRATED INSPECTION	1
1	07/01/2011	09/30/2011	IP 92701	Followup	
			RP/EP	- RP/EP	3
1	08/22/2011	08/26/2011	IP 88030	Radiation Protection	
1	08/22/2011	08/26/2011	IP 88050	Emergency Preparedness	
			ENV/WM/T	- ENV / WM / T	2
1	08/29/2011	09/02/2011	IP 86740	Inspection Of Transportation Activities	
1	08/29/2011	09/02/2011	IP 88035	Radioactive Waste Management	
1	08/29/2011	09/02/2011	IP 88045	Environmental Protection	
			4TH	- 4TH QTR INTEGRATED INSPECTION	1
1	10/01/2011	12/31/2011	IP 92701	Followup	
			MCA	- MCA	2
1	10/17/2011	10/21/2011	IP 85401	Management Structure	
			NCS	- NCS	2
1	10/17/2011	10/21/2011	IP 88015	Criticality Safety	
			EP EX/OP	- EP EX & RI OPS	2
1	10/24/2011	10/24/2011	IP 88020	Operational Safety	

This report does not include MEETINGS and SHUTDOWN activities.
This report shows only on-site and announced inspection procedures.

Enclosure 2

07001113 - GNF-A
Inspection / Activity Plan
01/01/2011 - 12/31/2011

Unit Number	Planned Dates Start	End	Inspection Activity	Title	No. of Staff on Site
			EP EX/OP - EP EX & RI OPS		2
1	10/24/2011	10/24/2011	IP 88051	Evaluation of Exercises and Drills	
			RI OPS - RI OPS		1
1	11/14/2011	11/18/2011	IP 88020	Operational Safety	

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