



Global Nuclear Fuel

A Joint Venture of GE, Toshiba, & Hitachi

Global Nuclear Fuel

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SPM 11-016

April 29, 2011

U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

Attn: Document Control Desk

Subject: 30-day Report of Event – Completion of ISA Action Plan Conversion Milestone

References: 1) NRC License SNM-1097, Docket 70-1113
2) Letter S. P. Murray to R. P. Zimmerman, Schedule to Complete NRC
NOV Actions, 1/28/11
3) GNF-A Event Report 46710, 3/30/11

Dear Sir or Madam:

In accordance with 10CFR70.50(c)(2), Global Nuclear Fuel – Americas L.L.C. (GNF-A) hereby submits the required written report for the March 30, 2011 report for completing the Integrated Safety Analysis (ISA) action plan. This event was reported within 24 hours by telephone to the NRC Operations Center in accordance with 10 CFR 70 Appendix A (b)(1).

The applicable information required by 10CFR70.50(c)(1) was submitted by facsimile on March 30, 2011 and is included as Attachment 1.

Additional information is provided as follows:

Event Details and Safety Significance

In response to a Notice of Violation (NOV), GNF-A committed to perform a review of the existing ISA. An ISA Action Plan and schedule for performing the ISA review was described in GNF-A's response to the NOV and the first milestone (conversion) was scheduled for completion by January 31, 2011. This milestone was subsequently requested to be extended by approximately 60 days (Reference 2).

On March 29, 2011, GNF-A completed the ISA review for the conversion area and identified 86 (initially reported as 87) existing safety controls that were designated as items relied on for safety (IROFS). Implementation of the revised safety basis, IROFS and application of management measures to the new IROFS will be completed within 90 days per the ISA Action Plan.

Because the revised ISA has designated existing safety controls as additional IROFS, GNF-A made a report of this completion pursuant to the reporting requirements of 10CFR70 Appendix A (b)(1) within 24 hours.

Probable Cause

GNF-A implemented the NRC-approved ISA program, consistent with GNF-A's interpretation of requirements and commitments. GNF-A believed that its ISA program was in compliance with NRC regulations, and that the NRC was aware of the manner in which it had been implemented. However, based on NRC inspections and violations, programmatic weaknesses in the GNF-A implementation and documentation of the ISA were identified.

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As the NRC noted, NRC staff and GNF-A did not share a common understanding of GNF-A's application of its ISA methodology and IROFS identification. GNF-A also found that its ISA methodology was inconsistently applied and in some cases lacked adequate documentation. In summary, GNF-A had a less than clear understanding of the precise interpretation of applicable requirements and of NRC staff expectations in that regard.

Near-term Corrective Actions Taken

GNF-A initiated comprehensive actions to (1) ensure that appropriate compensatory measures exist and to correct the identified programmatic deficiencies to ensure adequate protection of workers, the public, and the environment and (2) address inconsistencies identified in the application of the ISA methodology.

GNF-A confirmed that double contingency (i.e., at least two unlikely, independent, and concurrent changes in process conditions must occur before a criticality accident is possible) exists as the basis of ongoing facility safety by confirming that current criticality safety analyses exist for fissile material processes.

GNF-A developed, reviewed, and approved a comprehensive ISA action plan to address the identified programmatic ISA issues.

Longer-term Preventive Actions

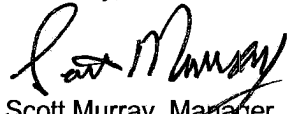
The ISA action plan not only addresses the items identified in the violations but also provides an opportunity to ensure that other programmatic issues are identified and addressed, and allows GNF-A to incorporate quantitative elements into the methodology.

A schedule was developed for a timely program review of material processes and this review continues. The schedule includes a phased implementation approach to bring the program into full compliance with the license and regulations. The ISA review is being performed in accordance with the revised schedule discussed with the Staff in a public meeting on April 27, 2011, and detailed in Attachment 2.

GNF-A will continue to apprise the NRC of the status and results of the ISA evaluations through periodic meetings and site visits. GNF-A will provide the NRC a listing of all controls re-designated as IROFS in accordance with the phased implementation schedule shown in Attachment 2.

If you have any questions regarding this matter, please contact me at (910) 819-5950.

Sincerely,



Scott Murray, Manager
Licensing & Liabilities

Commitments: Stated above

Attachment 1: Event description

Attachment 2: Revised ISA action plan schedule

cc: Rafael Rodriguez, NRC NMSS, Washington, DC
Nick Baker, NRC NMSS, Washington, DC
Mary Thomas, NRC RII Atlanta

Attachment 1

In response to a Notice of Violation (NOV), Global Nuclear Fuels – America (GNF-A) committed to perform a review of the existing Integrated Safety Analysis (ISA). An ISA Action Plan and schedule for performing the ISA review was described in GNF-A's response to the NOV and the first milestone (conversion) was scheduled for completion by January 31, 2011. This milestone was subsequently extended by approximately 60 days.

On 3/29/11, GNF-A completed the ISA review for the conversion area and has identified 87 existing safety controls that are now being designated as items relied on for safety (IROFS). Implementation of the revised safety basis, IROFS and application of management measures to the new IROFS will be completed within 90 days per the ISA Action Plan.

Because the revised ISA has designated existing safety controls as additional IROFS, GNF-A is making a report of this completion pursuant to the reporting requirements of 10CFR70 Appendix A (b)(1) within 24 hours.

Scott Murray,
Manager, Licensing and Liabilities
09:00 3/30/2011

Attachment 2
Revised ISA Action Plan Schedule

Complete ISA Review of the following areas:

Conversion	March	2011
Fabrication	July	2011
Balance of Plant	January	2012

IROFS Implementation

Implement new IROFS within
90 days of final ISA team approval
of the ISA review for the following areas:

Conversion	June	2011
Fabrication	October	2011
Balance of Plant	March	2012

Complete ISA & ISA Summary Revisions

March	2012
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