

August 9, 2011

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington DC, 20555-1001

RE: Reply to Notice of Violation-NRC Inspection Report 040-08502/11-001
Willow Creek Uranium Project
Source Materials License SUA-1341, Docket Number 040-08502

Dear Sir/Madam:

On March 29-31, 2011 the NRC conducted a "Pre-Operational" Inspection at the Willow Creek ISR facility. As described in the Notice of Violation dated June 17, 2011, two violations of NRC requirements were identified. The violations were identified as a Severity Level IV, which are characterized as less serious but more than a minor concern.

Attached, please find Uranium One Americas, Inc.'s response to the Notice of Violations. If you have any question, or need additional information, please contact me at (307) 234-8235.

Sincerely



Donna L. Wichers
Sr. Vice President, Americas

Cc Regional Administrator, NRC Region IV
Larry Arbogast- RSO
Tim McCullough- Manager Site SHE
Bill Kearney- Director SHE

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Reply to Notice of Violation

Violation A

49 CFR 172.702 requires that each Hazmat employer shall ensure that each Hazmat employee is trained and tested, and that no Hazmat employee performs any function subject to the requirements of 49 CFR Parts 171-177 unless trained, in accordance with Subpart H of 49 CFR 172. The terms Hazmat Employer and Hazmat Employee are defined in 49 CFR 171.8

49 CFR 172.704(a) specifies the elements of hazmat employee training as : (1) general awareness/familiarization training, (2) function-specific training, and (3)safety training. 49 CFR 172.204(c) requires, in part, that hazmat employee receive initial training, and recurrent training at least once every two years.

Contrary to the above, the licensee did not provide training for its hazmat employee which satisfied the requirements in Subpart H to 49 CFR Part 172. Specifically, on March 31, 2011, a hazmat employee transported radioactive contaminated resin, classified as a Low Specific Activity shipment, from the satellite facility to the central processing plant without having function-specific training to perform the assigned duties.

Reason for Violation

Although Uranium One had completed General DOT Hazard Awareness Training and Emergency Training as required by 49 CFR 172.704(a)(1) and 49 CFR 172.704(a)(3), documentation was not available to show driver review and understanding of the function specific training topics that are included as part of Standard Operating Procedure HP-19 "Shipping Radioactive LSA Materials" as it relates to IX resin shipments. Therefore, it was not possible to show that workers had received function specific training as specified in 49 CFR 172.704(a)(2).

Corrective Steps Taken

Employees assigned to transport IX resin trucks between the Irigaray and Christensen facilities reviewed Standard Operating Procedure HP-19 and a copy is included in the resin truck for reference. During the time period from April 2011 until May 11, 2011 Uranium One had designated only one driver the duty of transportation of IX resin truck shipments between the Christensen Satellite and Irigaray Central Process Plant. Function specific training consisted of worker review and understanding of Standard Operating Procedure HP-19. Once the RSO was satisfied that the employee understood HP-19 a signed copy was put into his training file.

Additionally, function specific training was provided by the Uranium One, Sr. SHE Specialist on May 11-12, 2011 and again on June 15, 2011 for Hazmat workers that would be assigned to perform radiological surveys of the IX resin truck shipments as part of their duties. Specifically, Section 6 "Ion Exchange Resin Tanker Shipments" of Standard Operating Procedure HP-19

was covered as part of this training. Training and testing for personnel was conducted in conjunction with the above training and these records are kept in the onsite training file site.

Corrective Steps Taken to Avoid Further Violations

Function specific training has been incorporated into the Willow Creek training plan for jobs which have transportation related duties. Function specific training is part of an ongoing training process and as operational activities progress at Willow Creek additional function specific training will be conducted for site workers assigned transportation and shipping responsibilities related to packaging and stenciling of yellowcake product containers, loading of yellowcake product shipments, and receiving and inspection of empty yellowcake product containers. Willow Creek has established a list of function specific trained workers to ensure appropriate training has been provided and DOT function specific training is current for Hazmat workers assigned job duties related to transportation of hazardous materials. In accordance with DOT regulations, these employees will receive refresher training on a three year basis.

Date Full Compliance Will be Achieved

Full compliance with the requirement to perform function specific training as stipulated in 49 CFR 172.704(a)(2) was achieved May 11, 2011.

Violation B

License Condition 10.11 states that if employees do not shower prior to leaving the Restricted Area, they shall monitor themselves with an alpha survey instrument prior to exiting in conformance with Regulatory Guide 8.30, "Health Physics Surveys in Uranium Recovery Facilities."

Contrary to above, on March 30, 2011, the NRC inspector observed a licensee employee exit the restricted area in the Central Processing Plant without showering or performing an alpha survey.

Reason for Violation

The employee observed exiting the restricted area at the Irigaray Plant without performing an alpha survey was sandblasting equipment placed at the designated concrete pad located to the west of the Central Process Plant restricted area, but within the controlled area of the Irigaray facility. As the sandblasting grit in the sand blasting pod emptied, the pod would need to be re-filled to continue sandblasting of the equipment. The activity that was observed was the employee entering back into the building to re-fill the sand blasting pod and then exiting the restricted area to resume sandblasting activities without performing an alpha survey.

Corrective Steps Taken

Personnel assigned the task of sandblasting items outside the restricted area, but within the controlled area where a fixed monitoring station is not provided at the exit, are now provided an alpha meter and log sheet so that personnel have the ability of performing the required alpha survey when exiting the restricted area. When sandblasting jobs are of a longer duration (typically longer than the 45 minutes provided by a sandblasting pod) two people are now assigned to the task which minimizes the need for the person performing the sandblasting to enter and exit a restricted area to re-fill the sandblasting pod with blasting grit.

Corrective Steps Taken to Avoid Further Violations

Discussions were held with all site personnel on the importance of performing an alpha contamination survey when exiting a restricted area regardless of the circumstances. The site has modified work practices and provided an alpha monitor and log sheet for job duties that would require entry and exit from a restricted area at locations where a monitor is not permanently assigned. Exit doors from the restricted area have been posted as "Survey Required Prior to Exiting" as a reminder for personnel to conduct an alpha contamination survey before exiting.

Date Full Compliance Will be Achieved

Full compliance with License Condition 10.11 was completed on April 1, 2011.