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July 11, 2012

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

Reference:

1. Docket No. 40-3392; License SUB-526

Subject: NRC Temporary Instruction (TI) 2600/015 Inspection – Honeywell Metropolis Works

Honeywell Metropolis Works is submitting this letter in response to the recently completed NRC inspection at the Metropolis Works Facility (“MTW”) located in Metropolis, Illinois. The NRC inspection was conducted in accordance with NRC Inspection Manual Temporary Instruction (TI) 2600/015.

As the NRC licensee responsible for safe operations at MTW, Honeywell understands the importance of the inspections, which were designed to ensure that licensees are adequately prepared to prevent and/or mitigate the consequences of licensing basis events and to evaluate the adequacy of the emergency prevention or mitigation strategies for dealing with the consequences of selected beyond safety/licensing basis events.

As you know, MTW is currently undergoing its annual maintenance shutdown and is currently not producing UF6. The preliminary results of the TI inspection were delivered to Honeywell during this maintenance shutdown. As a result, the annual maintenance shutdown was extended pending delivery of the final results of the TI inspection. The final results of the TI inspection were delivered to Honeywell by NRC representatives on Wednesday, July 11, 2012 at MTW.

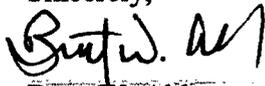
Now that Honeywell has been apprised of the results of the TI inspection, and based on clear direction from the NRC, Honeywell will not begin new UF6 production until we complete our review of the inspection results and develop an appropriate response. In particular, Honeywell has previously initiated efforts to prepare an Integrated Safety Analysis (ISA) for MTW in response to an NRC rulemaking. Through the ISA initiative Honeywell has already identified a number a potential plant improvements that will address issues discussed during the TI inspection, including safety enhancements related to updated seismic hazards at MTW. Based on the TI findings and discussions with the NRC, Honeywell is currently evaluating the schedule for implementation of potential plant upgrades and accident mitigation actions, and is evaluating acceleration of these efforts to the extent practicable.

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We confirm to NRC that Honeywell will not start new UF6 production at MTW prior to submitting to the NRC an action plan and schedule for addressing the TI findings. In the interim, some limited processing activities may be necessary to address UF6 currently existing in process equipment and to place the plant into a standby condition. Honeywell further confirms that it will submit to the NRC an action plan and schedule prior to performing such activities. In addition, Honeywell may also continue to perform limited processing and other licensed activities at the site with respect to uranium-containing materials, as necessary, but these activities do not implicate the items identified in the TI inspection.

MTW is the only UF6 conversion facility in the United States, and therefore a critical component of the domestic nuclear fuel supply and a vital piece of our national energy security and independence policy, Honeywell recognizes the importance of a timely return of the facility to commercial operations, consistent with the protection of the workers at the plant and the public in the surrounding community. Honeywell is considering a plan for interim mitigation measures to support re-start of UF6 production, as well as a schedule for subsequent implementation of additional enhancements and mitigation actions identified by the ISA initiative or in the NRC inspection. Honeywell will discuss its plan with the NRC as soon as possible, but in any event prior to re-start as committed above. Honeywell will also discuss with the NRC whether any license amendment is required. We look forward to a prompt and productive discussion of these issues with the NRC.

Sincerely,



Brett W. Able

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