



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

August 21, 2014

EA-14-141
NRC Event No. 49969

Mr. Amir Vexler
FMO Facility Manager
Global Nuclear Fuel – Americas, L.L.C.
P.O. Box 780, Mail Code J20
Wilmington, NC 28402

SUBJECT: GLOBAL NUCLEAR FUEL – AMERICAS, L.L.C. – NUCLEAR REGULATORY
COMMISSION INSPECTION REPORT 70-1113/2014-007

Dear Mr. Vexler:

This letter refers to the two unresolved items (URIs) that were identified by the Special Inspection Team during their inspection into the circumstances surrounding the failure to maintain items relied on for safety (IROFS) available and reliable (reported as Event Number 49969), and were documented in Nuclear Regulatory Commission (NRC) Inspection Report 70-1113/2014-006 (ML14184B141). Based on further review of these URIs, the NRC identified two apparent violations which are being considered for possible escalated enforcement action in accordance with the NRC Enforcement Policy. The current Policy is included on the NRC's Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>.

The first apparent violation, derived from URI 70-1113/2014-006-01, involves the failure to meet Title 10 of the *Code of Federal Regulations* (10 CFR) 70.61(b). This regulation requires, in part, that the risk of each credible high consequence event be limited and that controls be applied to the extent needed to reduce the likelihood of occurrence of the event such that the event is highly unlikely. Prior to March 31, 2014, Global Nuclear Fuels - Americas (GNF-A) operated the powder recycle system without sufficient controls to comply with 10 CFR 70.61(b) because IROFS were not available and reliable to prevent or mitigate a high consequence accident event. This apparent violation is identified as AV 70-1113/2014-007-01, "Failure to Meet Performance Requirements of 10 CFR 70.61(b)."

The second apparent violation, derived from URI 70-1113/2014-006-02, involves the failure to meet the requirements of 10 CFR 70.62(d) and License Application Chapter 11, Management Measures. These requirements, in part, require GNF-A to establish management measures to ensure that IROFS are designed, implemented, and maintained as necessary to ensure they are available and reliable to perform their function when needed. Prior to March 31, 2014, GNF-A failed to establish management measures for IROFS 202-08 and IROFS 202-09 for the purpose of providing reasonable assurance that they were available and reliable to perform

their function when needed. Specifically, both IROFS 202-08 and IROFS 202-09 were in a state of either non-availability or unreliability due to failures to implement a robust design (IROFS 202-08) or maintain configuration control (IROFS 202-09). This apparent violation is identified as AV 70-1113/2014-007-02, "Failure to Effectively Implement Management Measures."

The NRC is requesting your attendance at a pre-decisional enforcement conference to discuss the apparent violations. Please contact Mr. Marvin Sykes at (404) 997-4629 within ten (10) days of the date of this letter to schedule a date and time for the pre-decisional enforcement conference to be held at the NRC Region II office located in Atlanta, Georgia. This conference will be open to public observation in accordance with Section 2.4 of the NRC Enforcement Policy.

The decision to hold a pre-decisional enforcement conference does not mean that the NRC has made a determination that a violation has occurred or that enforcement action will be taken. This conference is being held to obtain information to assist the NRC in making an enforcement decision. The conference will provide an opportunity for you to present your perspective on these matters and any other information that you believe the NRC should take into consideration in making an enforcement decision. When presenting your perspective, please include information related to whether the violations occurred and how they were identified, the significance of the violations, the resultant change in risk associated with operating the process, any programmatic issues, and any corrective actions taken or planned. Your risk perspectives will be considered in assessing the severity level of the apparent violations. In addition, the promptness and comprehensiveness of your corrective actions will be considered in assessing any civil penalty for the apparent violations. The guidance described in NRC Information Notice 96-28, "Suggested Guidance Relating to Development and Implementation of Corrective Action," may be helpful.

Because the NRC has not made a final determination, no Notice of Violation is being issued for the inspection issues at this time. In addition, please be advised that the number and characterization of the apparent violations described above may change as a result of further NRC review. You will be advised by separate correspondence of the results of our deliberations. No response regarding the apparent violations is required at this time. However, if important additional information regarding the apparent violations is identified that is not documented in Inspection Report No. 70-1113/2014-006, please submit this information at your earliest convenience so that we are afforded the opportunity to review the information prior to the pre-decisional enforcement conference.

This letter also documents closure of the following unresolved items:

- URI 70-1113/2014-006-01, NRC to further analyze the safety significance of the licensee's failure to meet the performance requirements of 10 CFR 70.61, Performance Requirements.
- URI 70-1113/2014-006-02, NRC to further evaluate the safety significance of the licensee's failure to adequately establish, implement, and maintain management measures.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the NRC document system (ADAMS). ADAMS is accessible from the NRC website at <http://www.nrc.gov/reading-rm/adams.html>.

Should you have any questions concerning this letter, please contact me at (404) 997-4700.

Sincerely,
/RA/

Anthony T. Gody, Director
Division of Fuel Facility Inspection

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

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

W. Lee Cox, III, Chief
North Carolina Department of Health and Human Services
Division of Health Service Regulation
Radiation Protection Section
Electronic Mail Distribution

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Anthony T. Gody, Director
Division of Fuel Facility Inspection

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Global Nuclear Fuels – Americas, L.L.C.
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W. Lee Cox, III, Chief
North Carolina Department of Health and Human Services
Division of Health Service Regulation
Radiation Protection Section
Electronic Mail Distribution

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DATE	8/20/2014	8/20/2014	8/20/2014	8/20/2014		
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