

October 23, 2015

Mr. Scott P. Murray, Manager
Licensing & Liabilities
Global Nuclear Fuel-Americas
3901 Castle Hayne Road
P.O. Box 780 – M/C K-84
Wilmington, NC 28401

SUBJECT: GNF-A RESPONSE TO GENERIC LETTER 2015-01 AND AMENDMENT 10

Dear Mr. Murray:

On July 22, 2015, Global Nuclear Fuels – Americas (GNF-A) sent a letter in response to the U.S. Nuclear Regulatory Commission (NRC) Generic Letter (GL) 2015-01, 'Treatment of Natural Phenomena Hazards (NPH) in Fuel Cycle Facilities,' requesting an extension to respond to the GL until January 29, 2016. GNF-A stated the extension was needed in order to document the ongoing NPH analysis in the Integrated Safety Analysis (ISA), incorporate guidance from the newly issued Fuel Cycle Safety, Safeguards, and Environmental Review (FCSE) Interim Staff Guidance (ISG) - 15, "Natural Phenomena Hazards in Fuel Cycle Facilities," and update the ISA Summary on schedule with the normal submittal of annual summary of changes in accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) Paragraph 70.72(d)(3).

On August 7, 2015, we sent you a letter (ML15222A002) requesting a written response by the stated deadline in the GL to provide a response with actions completed to date and further information to establish an adequate basis for acceptability of the requested extension. The response would be documented as a license condition until completion. On September 22, 2015, you sent a response providing the requested information. Items 1.a. and 1.b. of the Attachment identify the work completed in the Dry Conversion Process (DCP), the Fuel Manufacturing Operations (FMO), and Expansion (FMOX) Buildings and the status of what remains to be done in those areas. Items 2.a. through 2.h. identify work that needs to be completed in DCP, FMO, FMOX and the 421 Warehouse, which includes structural, wind, and seismic analysis, seismic evaluations and walk downs by a qualified civil engineering firm, and ISA team evaluations of NPH and associated documentation in the ISA summary.

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Item 3 of the GNF-A response provides an explanation for being unable to provide a 90 day response to the GL. The staff considers the time frame represented by the extension request of approximately 120 days from the GL required date adequate considering the scope of work being performed by the licensee and the level of assurance the NRC staff has that the requested extension to the scheduled submittal date does not represent an undue risk to public health and safety. This determination is based on consideration of radiological/chemical source terms at the site; inherent capacity in systems, structures, and components to withstand gravity loads; and the effectiveness of existing safety programs in place at the facility (i.e., items relied on for safety). These factors have been assessed as part of inspection activities and through review of GNF-A's licensing basis and September letter.

In May 2012, the NRC staff performed inspections at the GNF-A site under TI 2600/15 (INSPECTION REPORT NO. 070-1113/2012-006) and concluded that the licensee had established adequate strategies and procedures for the prevention and/or mitigation of emergencies at the facility for dealing with the consequences of selected beyond safety/licensing bases natural events. Although one unresolved item was identified to further evaluate whether the licensee is in compliance with the requirements of 10 CFR 70.62(c) and the performance requirements of 10 CFR 70.61 regarding accident sequences that are a result of natural phenomena events, the NRC staff did not identify any immediate safety concerns as part of the inspection.

The staff notes that, as progress is made in the evaluation of the facility, the licensee is expected to adhere to the reporting requirements of 10 CFR 70.50 and 70.74 which includes a 24 hour report to the NRC Operations Center of any event or condition that results in the facility being in a state that was not analyzed, was improperly analyzed, or is different from that analyzed in the ISA, and which results in failure to meet the performance requirements of 10 CFR 70.61. In the case NRC receives such notification of potential events that could exceed the performance requirements, the NRC will determine if additional regulatory actions are necessary.

Item 4 provides a schedule for completion and commitment to provide a completed response and formal statement of compliance, signed under oath or affirmation by January 29, 2016. These commitments are documented as license condition S-4 in Amendment 10, enclosed:

In a letter dated September 22, 2015, GNF-A provided a response to GL 2015-01, describing 1) A description of the work that has been completed to date, including a general description of the type of work, what facilities are affected, and the status of these actions; 2) A description of the work that remains to be completed and what facilities are involved; 3) An acceptable explanation for not being able to submit a 90 day response to the GL; and 4) A formal response will be provided by the requested date of January 29, 2016, addressing items (1)a. through (1)d. of the GL and including a formal statement of compliance, signed under oath or affirmation as required.

This condition replaces condition S-4 from Amendment 9, which addressed your commitments to the improvement of your ISA made in your letter dated July 23, 2010 (ML102040281). Those commitments have been completed and the License Condition is no longer necessary. In addition, condition S-3 was updated to address your most recent update to your Radiological Contingency and Emergency Plan, dated March 26, 2015.

S. Murray

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In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter and Enclosure 2 will be available electronically for public inspection in the NRC Public Document Room, or from the Agencywide Documents Access and Management System (ADAMS). If you have any questions, feel free to contact Ty Naquin at (301) 415-7352, or via e-mail to Tyrone.Naquin@nrc.gov.

Sincerely,

/RA RJohnson for/

Tyrone D. Naquin, Project Manager
Fuel Manufacturing Branch
Division of Fuel Cycle Safety, Safeguards,
and Environmental Review
Office of Nuclear Material Safety
and Safeguards

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

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Enclosures:

1. Amendment 10, Materials License SNM-1097 (Non-Public)
2. Amendment 10, Materials License SNM-1097 (Public)

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Sincerely,

/RA RJohnson for/

Tyrone D. Naquin, Project Manager
Fuel Manufacturing Branch
Division of Fuel Cycle Safety, Safeguards,
and Environmental Review
Office of Nuclear Material Safety
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NAME	TNaquin	TBrockington	JMarcano for MKotzalas	RJohnson
DATE	09/28/2015	10/01/2015	10/23/2015	10/23/2015

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