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January 11, 2018

UPS / Next Day Air

Mr. Craig G. Erlanger, Director
U.S. Nuclear Regulatory Commission
NRC/NMSS/ FCSE
11545 Rockville Pike
Mailstop: T-4A60
Rockville, MD 20852

Reference:

- 1) Docket No. 40-3392; License SUB-526
- 2) 10 CFR 40
- 3) Honeywell Metropolis Works Application for Renewal of USNRC Source Material License, 12/1/16

Subject: Honeywell Metropolis Works "Ready Idle" Status

Dear Mr. Erlanger:

Honeywell continually evaluates its manufacturing operations to identify opportunities for efficiencies and to ensure a competitive business model structured for long-term growth. Honeywell's Metropolis Works plant, located in Metropolis, IL, converts uranium ore into uranium hexafluoride (UF₆). UF₆ is an essential compound used to produce enriched uranium for use as fuel in nuclear power plants. The nuclear industry is currently oversupplied with UF₆ worldwide due to a decline in nuclear power generation and an increase in secondary supply. Demand for UF₆ is not anticipated to rise before 2020.

In early 2017, in an effort to adjust to market forces, the company reduced the maximum output (capacity) of the Metropolis plant to better align with demand. Since that time, market conditions have continued to deteriorate. As a result of this business outlook, Honeywell intends to temporarily idle production of UF₆ at its Metropolis site, while maintaining minimal operations to support a future restart as business conditions improve. Therefore, the company intends to reduce the workforce at the plant by approximately 170 positions, including an estimated 81 union positions and 86 salaried positions. The majority of on-site contractor roles will also be reduced.

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Honeywell intends to restart once market conditions improve. Therefore, the company plans to keep the plant in a state of readiness during the idle period. Approximately 26 Honeywell employees will remain on site to support minimal operations. Additional employees will move to roles across Honeywell and will be available to return to the plant to ensure a successful restart when the plant comes out of idle state.

Summary of "Ready Idle" State

1. The operating facility producing UF₆, and some supporting infrastructure will be placed in a status of "ready idle"
 - a. All UF₆ will be removed from processing equipment. This includes Fluorination Cold Traps and the Distillation processing equipment.
 - b. Hazardous chemicals will be removed from storage and processing equipment. This includes Anhydrous HF, Aqueous Ammonia, Liquid Hydrogen and other supporting chemicals.
 - c. A significant number of UF₆ cylinders will be shipped offsite. A small number of cylinders will remain on-site to support longer term business needs.
 - d. Uranium bearing materials (i.e., U₃O₈) will be removed from processing equipment.
2. The Metropolis Emergency response plan will be modified, when and as appropriate, to reflect the significantly reduced potential for onsite or offsite impact due to an event during the idle state. This change will follow existing plant Configuration Change processes.
3. The plant will continue to conduct the following Authorized Activities as defined in the 12/1/16 revision of the Honeywell Metropolis Works Application for Renewal of USNRC Source Material License (section 1.5)
 - a. Receiving ore concentrates
 - b. Sampling ore concentrates
 - c. Shipping product UF₆ offsite as required
 - d. Some low level uranium-bearing residues may be packaged and shipped directly to a license radioactive waste broker or shipped offsite to a license facility for uranium recovery processing
 - e. Storage of ore concentrates and UF₆ cylinders
4. Health Physics monitoring of both individuals and process areas will continue as required commensurate with the level of activities. This includes required environmental monitoring per license requirements.
5. Some monitoring of process equipment will occur during the idle period. This may include but not be limited to Mechanical Inspections, physical rotation of rotating equipment, or other preventive measures.

Return to Plant Operations

1. At the time when business conditions have improved, preparations will begin to return the plant to fully operational status. Resumption of production will involve multiple activities, including but not limited to:
 - a. Rehiring of operations, maintenance, and other support personnel
 - b. Retraining of employees to certify qualifications as required
 - c. Reinstating the Emergency Response Plan to support production activities and training of the Emergency Response team
 - d. Conducting an emergency response exercise to demonstrate adequate execution of the Emergency Response Plan

If you have any questions on the submitted information or other issues associated with the Honeywell Metropolis Works "Ready Idle" state plans, please contact Mr. Mark Wolf, Nuclear Compliance Director, at (618) 309-5013

Sincerely,



Jeff Fulks
Plant Manager

Enclosure

cc:

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