



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II**

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March 2, 2018

Mr. Adam Hilton
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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. PROGRAM ADJUSTMENT
REVIEW OF LICENSED ACTIVITIES (NUCLEAR REGULATORY COMMISSION
INSPECTION REPORT 70-1113/2018-001)**

Dear Mr. Hilton:

The U.S. Nuclear Regulatory Commission (NRC) staff in the Region II office and the Office of Nuclear Material Safety and Safeguards completed a review of the Global Nuclear Fuel – Americas (GNF-A) fabrication facility performance in conducting NRC licensed activities. In accordance with Inspection Manual Chapter (IMC) 2604, "Licensee Performance Review," the program adjustment review provides an opportunity for adjustments to the inspection program to reflect emergent performance issues that may reveal themselves during the routine 24-month performance assessment period. The current 24-month performance assessment period for GNF-A extends from January 1, 2017, through December 31, 2018.

The program adjustment review covered licensee activities from January 1, 2017 through December 31, 2017. GNF-A was evaluated in the following performance areas: Safety Operations, Radiological Controls, Facility Support, Safeguards, and Other Areas. No separate letter will be issued addressing the Safeguards area, due to no areas needing improvement being identified in this performance area during this period.

As a result of this review, the NRC staff determined a program adjustment in the area of Radiological Controls is warranted and will adjust the current radiation protection inspection effort at GNF-A due to concerns with recent performance. These concerns are summarized below.

The NRC conducted an inspection April 24 – April 28, 2017 to review an event involving the improper shipment of radioactive material to a public waste treatment facility. The inspection resulted in five apparent violations which were documented in inspection report 70-1113/2017-003 (ADAMS Accession No. ML17206A233). The AVs were subsequently dispositioned via the NRC's alternative dispute resolution process, and a Confirmatory Order (CO) was issued on December 14, 2017 (ADAMS Accession No. ML17348A130). The CO confirms actions GNF-A will take related to this event, and are intended to ensure the root cause of the event was adequately evaluated and that appropriate corrective actions will be implemented to prevent future occurrences. In addition, in a related area but separate event on April 27, 2017, GNF-A reported to the NRC that over a six month period numerous workers on several occasions alarmed the personnel contamination monitor (PCM) radiation alarms and exited the change room without receiving a subsequent non-alarming documented PCM survey (ADAMS Accession No. ML17117A596).

Due to these concerns, the core inspection program will be adjusted as follows.

- One supplemental radiation protection inspection to occur within the September 2018 – December 2018 timeframe. The inspection will focus on the performance of radiological surveys, the retention of survey records, and the corrective actions from the radioactive material shipment event. The estimated resources for the supplemental inspection are approximately 30 hours of direct inspection.
- The items documented in the CO will also be included within this program adjustment. This inspection effort will entail multiple inspections and the timeframe will be dependent upon the licensee's progress in closing all CO items. Inspector hours associated with these inspections will depend upon the implementation progress of the licensee's corrective actions.

No additional inspection program adjustments were deemed necessary in the other performance areas for the current performance assessment period.

In accordance with 10 CFR Part 2.390 of NRC's "Rules of Practice and Procedure," a copy of this letter and its enclosure will be made available electronically for public inspection in the NRC Public Document Room, or from the NRC's Agencywide Documents Access and Management System (ADAMS), which is accessible from the NRC Website at <http://www.nrc.gov/reading-rm/adams.html>

Please refer questions and comments regarding your program adjustment review to Mr. Eric Michel, Chief, Projects Branch 2, by telephone at 404-997-4555.

Sincerely

/RA/

Mark S. Lesser, Director
Division of Fuel Facility Inspection

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

Enclosure:
Licensee Program Adjustment Review

cc:
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**PROGRAM ADJUSTMENT REVIEW FOR GLOBAL NUCLEAR FUEL- AMERICAS
ASSESSMENT PERIOD: JANUARY 1, 2017 TO DECEMBER 31, 2017**

The following is a summary of the performance of Global Nuclear Fuel- Americas (GNF-A) in the conduct of NRC-licensed activities.

PERFORMANCE AREA: SAFETY OPERATIONS

This area is comprised of plant operations, nuclear criticality safety, and fire protection.

Program Areas Needing Improvement

- No specific program adjustment was identified in Safety Operations.

Recommended NRC Inspection Effort

- Maintain the core inspection effort in Safety Operations.

PERFORMANCE AREA: SAFEGUARDS

This area is comprised of material control and accounting (MC&A), physical protection of special nuclear material, and information security.

Program Areas Needing Improvement

- No specific program adjustment was identified in Safeguards.

Recommended NRC Inspection Effort

- Maintain the core inspection effort in Safeguards.

PERFORMANCE AREA: RADIOLOGICAL CONTROLS

This area is comprised of radiation protection, environmental protection, waste management, and transportation.

During the performance adjustment review assessment period, the following enforcement items were issued in the area of Radiological Controls:

- An AV of 10 CFR 20.1501(a) was identified for the failure to make appropriate surveys to evaluate the potential radiological hazards of work performed on scrap metal piping at the Licensee's waste treatment facility on three separate occasions. Through Alternative Dispute Resolution (ADR), this violation was resolved. This finding was tracked as AV 70-1113/2017-003-01.
- An AV of 10 CFR 71.5(a) was identified for the failure to comply with DOT requirements when contaminated metal piping was transported to a scrap metal facility and returned to the GNF-A facility. Through ADR, this violation was resolved. This finding was tracked as AV 70-1113/2017-003-02.

- An AV of 10 CFR 20.1906(d)(1) was identified for failure to immediately notify the final delivery carrier and the NRC Operations Center by telephone when removable radioactive surface contamination exceeded the limits of 10 CFR 71.87(i). Through ADR, this violation was resolved. This finding was tracked as AV 70-1113/2017-003-03.
- An AV of 10 CFR 20.1906(c) was identified for failure to monitor a package within three hours of receipt at the Licensee's facility. Through ADR, this violation was resolved. This finding was tracked as AV 70-1113/2017-003-04.
- An AV of 10 CFR 20.2103(a) was identified for failure to provide survey records from the results of surveys of the scrap metal piping and dumpster. Through ADR, this violation was resolved. This finding was tracked as AV 70-1113/2017-003-05.
- A Confirmatory Order (CO) dated December 14, 2017 was issued as part of EA-17-090 concerning the inadvertent release of contaminated scrap metal piping from the site. This CO resulted from a successful ADR session with the Licensee on October 25, 2017. GNF-A has agreed to satisfy nine requirements as outlined within the CO.

Program Areas Needing Improvement

- A program adjustment was identified in the radiation protection area within Radiological Controls, due to a safety significant issue involving a radioactive waste shipment event. Five violations were identified as a result and documented in inspection report 70-1113/2017-003 during this assessment period. This event resulted in a confirmatory order with a number of items requiring inspection. In addition, numerous workers on several occasions alarmed the personnel contamination monitor (PCM) radiation alarms and exited the change room without receiving a subsequent non-alarming documented PCM survey.

Recommended NRC Inspection Effort

- The core inspection program will be adjusted to increase the radiation protection inspection effort by adding an additional radiation protection inspection to the core inspection program with approximately 30 hours of direct inspection effort. The estimated resources necessary to address this program adjustment include one additional inspector to conduct the added radiation protection inspection with approximately 30 hours of direct inspection effort. The inspection will be conducted using inspection procedure 88030 and will focus on the performance of radiological surveys and the retention of survey records.
- The core inspection program will be adjusted to conduct additional inspections to verify completion of items documented in the Confirmatory Order dated December 14, 2017.

PERFORMANCE AREA: FACILITY SUPPORT

This area is comprised of maintenance and surveillance of safety controls, management organization and controls, operator training, emergency preparedness, emergency exercise evaluation, and permanent plant modifications.

Program Areas Needing Improvement

- No specific program adjustment was identified in Facility Support.

Recommended NRC Inspection Effort

- Maintain the core inspection effort in Facility Support.

PERFORMANCE AREA: OTHER AREAS

This area is comprised of special issues.

Program Areas Needing Improvement

- No specific program adjustment was identified in Other Areas.

Recommended NRC Inspection Effort

- No areas were identified as needing improvement. Maintain the current inspection effort.