

March 31, 1998

EA 98-171

Mr. Perry Gasperini
Acting Plant Manager
AlliedSignal, Inc.
Post Office Box 430
Metropolis, IL 62690

SUBJECT: NRC INSPECTION REPORT 040-03392/98003(DNMS)

Dear Mr. Gasperini:

On March 2 through 6, 1998, the NRC conducted a followup inspection for the Augmented Inspection Team review of January 28 through February 6, 1998, as well as a routine safety inspection at Metropolis Works. The inspection was conducted by Messrs. J. M. Jacobson of this office, G. A. Smith, L. D. Ong, and A. Wong of the Office of Nuclear Material Safety and Safeguards. The inspection included a review of activities authorized for your facility. At the conclusion of the inspection, the findings were discussed with you and those members of your staff identified in the enclosed report.

The purpose of the inspection was to determine whether activities authorized by your license were conducted safely and in accordance with NRC requirements. Areas examined during the inspection are identified in the report.

Based on the results of this inspection, nine apparent violations were identified and are being considered for escalated enforcement action in accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600. The apparent violations, in the aggregate, indicate a significant lack of attention to license and procedural requirements. This lack of attention to requirements involves a broad spectrum of activities and staff at your facility and raises a regulatory concern about the adequacy of management's implementation of licensed activities at Metropolis Works. Accordingly, no Notice of Violation is presently being issued for these inspection findings. In addition, please be advised that the number and characterization of apparent violations described in the enclosed inspection report may change as a result of further NRC review.

A public predecisional enforcement conference to discuss these apparent violations has been scheduled for 1:00 p.m. (CST), on April 29, 1998, in the NRC Region III Offices in Lisle, Illinois. The decision to hold an enforcement conference does not mean that the NRC has determined that a violation has occurred or that enforcement action will be taken. The conference is being held to discuss the apparent violations, their causes and safety significance; to provide you the opportunity to point out any errors in our inspection report; and to provide an opportunity for you to present your proposed corrective actions. During the Licensee Performance Review meeting in June 1997, the lack of clear expectations and policy regarding procedural usage was discussed. The continuation of performance problems identified during this inspection and previous NRC inspections indicates that all of the causes have not been identified and corrected. In particular, we expect you to address the management control weaknesses, identified during

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this inspection and reactive inspections to other releases of hazardous materials your facility has experienced over the last three years, which appears to be a root cause for the numerous apparent violations. As part of that discussion, we expect you to provide your expectations for license adherence, procedure development, and procedure adherence at your facility. In addition, this predecisional enforcement conference is an opportunity for you to provide any information concerning your perspectives on 1) the severity of the violation(s), 2) the application of the factors that the NRC considers when it determines the amount of a civil penalty that may be assessed in accordance with Section VI.B.2 of the Enforcement Policy, and 3) any other application of the Enforcement Policy to this case, including the exercise of discretion in accordance with Section VII. You will be advised by separate correspondence of the results of our deliberations on this matter. No response regarding the apparent violations highlighted in the report is required at this time.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be placed in the NRC Public Document Room.

Sincerely,

Original Signed by

Cynthia D. Pederson, Director
Division of Nuclear Materials Safety

License No. SUB-526
Docket No. 040-03392

Enclosure: Inspection Report 040-03392/98003(DNMS)

cc w/encl: T. Ortziger, Illinois Department
of Nuclear Safety

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Cynthia D. Pederson, Director
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