

U.S. NUCLEAR REGULATORY COMMISSION



PUBLIC MEETING WITH HONEYWELL
SPECIALTY CHEMICALS
METROPOLIS, ILLINOIS
APRIL 21, 2004



MEETING AGENDA

Opening Remarks and Introductions

Loren Plisco, Deputy Regional Administrator, Region II

Honeywell Presentation on Actions to Improve Safety Performance and Emergency Preparedness

Rory O'Kane, Plant Manager

NRC Presentation on Inspection of Honeywell Improvement Actions

Jay Henson, Chief, Fuel Facility Inspection Branch 2, Region II

Closing Remarks

Loren Plisco, Deputy Regional Administrator, Region II

NMSSD1

This is a category 1 meeting in which the public is invited to observe and will have one or more opportunities to communicate with the NRC after the business portion, but before the meeting is adjourned.



LICENSEE SAFETY PERFORMANCE IMPROVEMENT PLAN

- Seven improvement areas
 - Emergency response
 - Policies and procedures
 - Training
 - Management of change
 - Mechanical integrity
 - Engineering controls
 - Corrective actions and auditing



LICENSEE RESTART PLAN

- Phased approach
 - Ore prep
 - Green salt
 - Fluorination/distillation
- Specific, short term items from seven areas identified to support restart in each area



NRC OVERSIGHT

- Assess process
- Observe implementation
- Confirm completion
- Brief NRC management
- Restart Decision
- Notify stakeholders
- Inspect restart
- Report



NRC OVERSIGHT

- Review and assessment of proposed actions began on February 24, 2004
- Implementation inspection began March 8, 2004 (observation of tabletop emergency drill)



NRC OVERSIGHT

- March 26 – Licensee requested restart of core preparation
- March 26 – NRC issued no objection to restart
- Restart activities observed for first 48 hours
- Restart progressed without any safety issues



NRC OVERSIGHT

- April 12 – Licensee requested restart of green salt operations
- April 14 – NRC issued no objection to restart
- NRC observation of restart initiated
- April 16 – Equipment overheated
- April 20 – Overheat issue resolved; licensee requested restart; NRC issued no objection to restart
- NRC observation of restart resumed



NRC OVERSIGHT

- April 16 – Licensee requested restart of fluorination and distillation operations
- April 17 – NRC issued no objection to restart
- NRC observation of restart initiated
- NRC inspectors remain on site until 48 hours of operations completed



NRC OVERSIGHT

- Increased oversight of licensed activities after restart of all areas
- Inspections scheduled at approximately six week intervals for first three months
- Focus of inspections: Plant Operations, Chemical Safety, Emergency Preparedness, Maintenance/Surveillance, Management Organization and Controls, and Operator Training



NRC OVERSIGHT

- Based on outcome of these two inspections, next inspection to be scheduled within three months
- If outcome of all three inspections acceptable, consider returning to routine inspection frequency

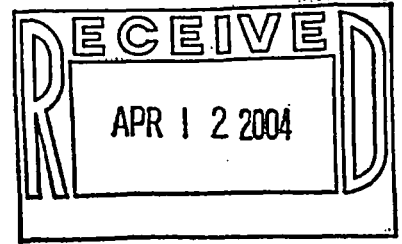


CITY OF METROPOLIS

BETH CLANAHAN, MAYOR

106 West Fifth Street • City Hall • Metropolis, Illinois 62960 • Phone (618) 524-4016 • Fax (618) 524-2582

April 7, 2004



Mr. Rory O'Kane
Honeywell
Route 45 North
P.O. Box 430
Metropolis, IL 62960

Dear Mr. O'Kane:

Thank you for your prompt response to my correspondence regarding the emergency plan for Honeywell as it concerns the City of Metropolis.

I realize the importance of Honeywell officials working closely with the City and County emergency services. I also recognize the tremendous responsibility that lies with the City of Metropolis and Massac County to ensure that the necessary procedures and equipment are in place to protect our community in any disaster situation.

To reach that goal, my office is currently scheduling a meeting with county officials to discuss the city and county response and to ensure that we, too, have a plan of action and that we are ready should an emergency (of any type) occur in our community. With so many families traveling next week (during spring break) I do not feel that a meeting will be possible until the following week.

It is my hope that a meeting can be scheduled during the last two weeks in April where City, County and Honeywell officials can meet together to discuss concerns and any remaining outstanding issues in an attempt to resolve them.

I look forward to working with you, in the future, to ensure the safety of our community.

Sincerely,
CITY OF METROPOLIS

A handwritten signature in cursive script, appearing to read "Beth A. Clanahan".

Beth A. Clanahan, Mayor

BAC;jh

Honeywell Metropolis Plant NRC Status Briefing

April 21, 2004

Agenda

- **Current Plant Status**
- **Plant Improvements Implemented**
- **Emergency Response
Improvements Implemented**
- **Long-Term Improvement Plans**
- **Concluding Remarks**

Current Plant Status

- **Phased Approach to Restart of UF₆ Process**
 - Described in March 4, 2004 Letter
- **Ore Preparation**
 - NRC Approval March 26, 2004
- **Green Salt**
 - NRC Approval April 14, 2004
- **Fluorination/Distillation**
 - NRC Approval April 17, 2004
- **Present Operating Status**
 - Ore Preparation
 - Green Salt
 - Fluorination/Distillation

Plant Improvements Implemented

- **Procedures and Training**
- **Material Condition**
- **Emergency Preparedness**

Plant Improvements Implemented

- **Policies and Procedures**

- Implemented New and Revised Policies on Procedure Use, Work Planning, and Stop Work Authority
- Improved Form and Content of Technical Procedures
- Defined Clear Expectations for Pre-Job Planning

- **Training**

- Formalized Training on Instructional Techniques
- Conducted Training on New and Revised Policies and Procedures

Plant Improvements Implemented

- **Completed Inspections and Tests of Equipment Within UF₆ Process Needed for Restart**
- **Ensured Required Equipment Was Operational**
- **Added Equipment to Improve Safety of UF₆ Process**
 - **Pressure Relief Systems**
 - **Valve Interlocks**
 - **Instrumentation**
 - **Alarms**
- **Added Additional Controls and Alarms for Tank and Railcar Unloading Operations**

Emergency Response Improvements

- **Internal Emergency Response Improvements**
 - **Improved Definition of Emergency Action Levels**
 - **Clarified Responsibilities and Response Actions for Response Officers**
 - **Developed Emergency Plan Implementing Procedures**
 - **Trained Emergency Response Personnel on New ERP**
 - **Trained Security Personnel on Emergency Response Plan Responsibilities**
 - **Currently Performing Annual HAZMAT Refresher Training for Site Emergency Responders Using Revised ERP.**

Emergency Response Improvements

- **External Coordination**

- **Emergency Plan Provided to NRC, State and Local Authorities**
- **Onsite Meeting Held with Local Emergency Officials**
- **Illinois Emergency Planning Authorities Contacted Concerning Status of Local Emergency Response Committee**
- **Responded to Mayor Clanahan's Letter**
- **License Amendment Submitted for Emergency Response Plan**

Emergency Response Improvements

Initial Notification



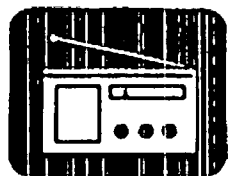
- **Sirens**

- Two sirens for offsite notification
- Activated by the Metropolis Plant



- **CAN**

- Public notification system
- Selected based on input from outside organizations



- **Radio Stations (Pre-recorded messages)**

- WMOK 920 AM
- WKYQ 93.3 FM
- WDDD 107.3



- **Dedicated Phone for Communication with Outside Emergency Responders**

Emergency Response Improvements

Continuous Updates

- **Community Information**
 - Radio Stations (Updates)
 - WMOK, WKYQ, and WDDD
- **Emergency Responder Continuous Information**
 - Unlisted Dedicated Number for use by Responders
- **Plant Status Information**
 - Metropolis Plant Info Line 618-524-6300

Emergency Response Improvements

Honeywell MTW Information Line

- Phone: 618-524-6300
- Phone Line will have Five Options:
 - For Product Information, press1
 - For Emergency Information, press.....2
 - For Additional Emergency Information, press3
 - For Information on Plant Activities, press4
 - For Information on Community Involvement, press. . . .5

Long Term Performance Improvement

- **Measures to Build on Short-Term Restart Efforts**
- **Objective is to Achieve Excellence in Safe Operations**
- **Areas to Be Addressed Include**
 - **Procedures and Training**
 - **Plant Material Condition**
 - **Emergency Preparedness**

Procedures and Training - Long Term

- **Continuously Improve New Processes and Methods in UF₆ Operations**
 - Procedure Gap Analysis Techniques
 - Operator Training Methods
 - Operator Validation Methods
- **Introduce New Processes and Methods Plant-Wide**
- **Improve Supervisory and Management Training Programs**

Material Condition - Long Term

- **Implement Honeywell's Maintenance Excellence Program**
- **Continue Investment in Plant Equipment and Technology**
- **Utilize Honeywell's Expertise in Industrial Controls to Add Additional Levels of Protection to Plant Processes**
- **Continue Implementation of Honeywell's Standardized Control Room Guidelines**

Emergency Preparedness-Long Term

- **Increase Cooperation and Execution of Emergency Planning With Local Emergency Agencies**
 - Conduct Table Top Exercises to Support Honeywell Requirements as well as Local Agency Requirements
 - Conduct Full Participation Drill at Least Annually
- **Consolidate Emergency Response Plan and Radiological Contingency Plan**
- **Sustain Community Relations**
 - Continue Community Awareness Committee
 - Participate as a Member of the Upcoming LEPC

Concluding Remarks

- **Honeywell is committed to providing the support and oversight needed to ensure that plant personnel, procedures, equipment and emergency preparedness will support safe and reliable operations.**
- **Honeywell is committed to making improvements to achieve excellence in safe operations.**
- **We plan to brief the NRC staff in the future on lessons-learned during our restart and progress on long-term improvements.**

Specialty Chemicals
Honeywell
Route 45 north
P.O. Box 430
Metropolis, IL 62960

618-524-2111
618-524-6239 Fax

March 26, 2004

The Honorable Beth Clanahan
Mayor
City of Metropolis
106 West Fifth Street
Metropolis, IL 62960

**RE: Response to Mayor Clanahan's Letter to Mr. Rory O'Kane
dated March 18, 2004**

Dear Mayor Clanahan:

I am writing in response to your letter of March 18, 2004, which requested that Honeywell address in writing 16 issues prior to restarting the Metropolis Plant (the "Plant"). As I discussed at the March 18, 2004 NRC public meeting, Honeywell has committed to making major improvements, not only to the Metropolis Plant itself, but also to the emergency planning and communication capabilities of the community. Honeywell is firmly committed to ensuring that the health and safety of both our employees and the public are fully protected with respect to the operation of the Plant.

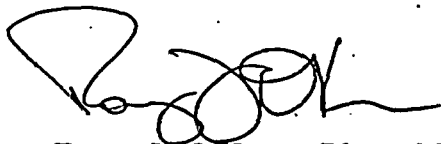
As a responsible corporate citizen of Massac County, Honeywell has been, and continues to be, eager to communicate and work with all public and private organizations in the area that have an interest and responsibility for public safety. To this end, you will recall that you and I met the morning of March 17, 2004, to discuss the status of the Plant's restart efforts and to address any concerns that you or the City might have with respect to the planned restart. Specifically, I provided you and the City attorney with an update on the extensive efforts we had underway to improve the emergency response communication capability, to update the Emergency Response Plan and to provide warning sirens that are needed to alert citizens in the notification zone in the unlikely event of a chemical release. At the end of that meeting I specifically asked if you had any concerns with our plans and committed to you to continue the ongoing dialogue with the emergency planning officials as we implemented the upgrades. Because you did not indicate that you had any issues, I believed that you were satisfied with the ongoing

efforts. Thus, I was somewhat surprised to receive your March 18, 2004 letter.

Consistent with Honeywell's continuing commitment and concern for public safety and that of our employees, we have carefully reviewed the issues raised in your letter. We have enclosed a written response to each of the issues raised by your letter.

I believe that, going forward, frank and open communication between us will help to facilitate our joint efforts to provide the community with the best available public safety measures. Honeywell has been and continues to be a responsible corporation in Massac County for the protection of the public, its employees and the environment. We welcome your offer to meet to discuss these issues and are ready to meet with you and the City representatives at your earliest convenience. After you have reviewed our responses to your issues, please give me a call at 524-6220 to set up the meeting.

Sincerely,



Rory J. O'Kane, Plant Manager
Metropolis Plant
Honeywell Chemicals

Attachment as Stated;

cc: Luis Reyes, Regional Administrator
US Nuclear Regulatory Commission, Region II
Sam Nunn Atlanta Federal Center
61 Forsyth Street, S. W., Suite 23T85
Atlanta, GA 30303-8931

William Burke, Director, IEMA
Mike Childers, Fire Chief
Jeff Durham, CEO Massac Hospital
Keith Davis, 911 Director
Bob Griffey, Massac County Sheriff
O. D. Troutman, ESDA

Attachment 1

Responses to the Issues Raised in the March 18, 2004 Letter

Issue 1

Honeywell should provide a copy of the proposed Emergency Response Plan to the local ESDA, 911 Board of Directors, Massac County Sheriff's office, Metropolis and Massac County Fire Departments and Metropolis City Police Department prior to approval by the NRC/EPA.

Response:

O.D. Troutman (ESDA Director), M. Childers (Fire Dept), J. Durham (Massac Hospital), M. Worthen (Metropolis Police] and A. Pepper (Illinois Emergency Management Agency) are current copy holders of our plan. Honeywell will provide by certified mail a copy of the updated Emergency Response Plan (ERP) to the other individuals or agencies you identified. It is noted that this ERP revision did not require NRC/EPA approval since the changes made were strictly enhancements to the existing plan.

Issue 2

Honeywell should provide each of the aforementioned agencies with a copy of the Plan as approved together with any and all subsequent updates.

Response:

As noted above, the current ERP revision does not need NRC approval. We will be pleased to continue to provide copies of our plan to the agencies above. Any future revisions will be incorporated into those copies as they occur. We suggest that ERP distribution be a topic for discussion at our forthcoming meeting.

Issue 3

Honeywell should communicate directly with all emergency response agencies to address their particular issues. This includes Massac Memorial Hospital and the agencies described above.

Response:

We have been responsive and will continue to be responsive to issues identified by any of the agencies and Massac Memorial Hospital. However, communicating directly with the various agencies involved is not an effective way to ensure everyone is aware of the individual issues. In fact, there will likely be issues raised by one organization that involve responsibilities and actions by other organizations. The state of Illinois requires the formation of a Local Emergency Planning Committee to address the coordination of emergency response issues. Members of the LEPC are appointed by the State Emergency Response Commission. Honeywell welcomes the opportunity to participate in that process to ensure all emergency response agencies within Massac County are prepared to handle any emergency, not just a chemical release.

Issue 4

Honeywell should either repair the non-functioning warning sirens with components that are compatible with the existing system (the remaining five sirens and control units) or they should replace the entire siren system (8 sirens) with a single system that works on a digital format.

Response:

Approximately 10 years ago, Honeywell purchased, installed and donated 8 emergency notification sirens to Massac County. Since that time, Massac County has been responsible for the operation and maintenance of the siren system. After the incident in December, we began discussing options with ESDA and 911 with regard to modifying the three sirens closest to our plant. The intent was to be able to sound only those sirens closest to our plant in the event of a release. Upon inspection, we found the three sirens out of service. We immediately made plans to replace the sirens at our expense. The work was scheduled for the 19th of

March. Based on the issues raised in your letter, we stopped work on the county's sirens.

Because of the time constraints we are working under, we needed to change our plans and install the new sirens on our property. This will ensure timely installation of the needed sirens. By us maintaining ownership of the sirens we will be able to verify daily that the sirens are working. We are confident these sirens meet our obligation to notify the public in the event of a chemical release at our facility. We will coordinate the tone used by our sirens with the county to ensure a specific tone is used for plant emergencies.

Issue 5

Honeywell should provide a control panel for the siren system not only to the ESDA director's home and office, but also to both of the dispatch control centers; being the Massac County Sheriff's office and the City of Metropolis Police Department.

Response:

Honeywell's decision not to replace the county's sirens eliminates any potential issues with different sirens on the notification system and the resulting need for a new control panel for the existing system. We will be pleased to provide a separate control button for the Honeywell sirens as requested by the ESDA Director and/or the 911 Board of Directors

Issue 6

Honeywell should be required to communicate directly with the 911 Executive Director and the ESDA Director prior to repairing or replacing any disaster warning equipment, including sirens

Response:

The work we had scheduled was discussed with both agencies mentioned, in fact, 911 personnel were very helpful in coordinating resources to assist Honeywell with the installation.

Issue 7

Honeywell should clearly and consistently communicate the appropriate response for various types of emergencies. For example, Honeywell has stated it has planned for a worst-case disaster such as the rupture of a railroad car containing hexafluoride. Yet, it has communicated to some that "Shelter In Place" is the appropriate response and to others that a 25-mile evacuation would be required.

Response:

We agree. "Shelter in Place" is the appropriate emergency response action for any chemical release from the Honeywell site. As stated at the NRC public meeting, a community bulletin will be mailed to residents so that they will have that guidance readily available. The 1.3-mile notification radius from the plant is simply a notification zone. Specific wind direction and chemical path information will be communicated on an on-going basis to the emergency responders during an emergency.

Issue 8

Honeywell should be required to utilize the Emergency Services List of telephone numbers for providing direct warnings to residents within 1.3 miles of the plant site.

Response:

Honeywell intends to use the best available information for the telephone notification system. However, access to 911 data must be granted to us by the 911 Board of Directors. We are pleased that arrangements have been made with the 911 Board of Directors to provide the broader list and have in place agreements to protect confidential numbers.

Furthermore, our intentions have always been to offer the use of this telephone notification system to the local emergency response agencies. This system has broader notification capability and can potentially be used for other emergency situations. We believe this is a significant addition to the current emergency notification system. We are drafting a Mutual Aid Agreement that we will be passing on to you for review and approval. Please give this document a thorough review in an effort to formalize our ongoing efforts to protect the public in a joint manner.

Issue 9

Honeywell should provide Hazardous Material training to at least 4 emergency response personnel employed by the City at a level equivalent to the standards established by the National Fire Protection Association and not the minimal standards required by O.S.H.A.

Response:

As stated during our meeting in your office and at the NRC public meeting, Honeywell has already agreed to provide HAZMAT initial training and refresher training to 4 emergencies response personnel. This 24 hour Technician level training was agreed upon during a lunch meeting with the Fire Chief and ESDA Director. If this level is insufficient, we would like to discuss the level of training requested at our up coming meeting.

Issue 10

Honeywell should integrate multiple components within its early warning system. Those components should include the CAN system, the sirens, direct calls to local officials, and prompt notice to media outlets. This will increase the probability of fully notifying all affected residents.

Response:

We agree that the emergency notification systems should be integrated and coordinated. Installation of new sirens, a telephone notification system (service provided by Community Alert Network) and pre-recorded messages at least three different radio stations are complete or will be shortly. These notification tools are identified in our enhanced Emergency Response Plan. The integrated use of these systems and the language used on the pre-recorded messages is being presented during the General Chemical Training being given to all emergency response agencies.

Issue 11

Honeywell should commit to provide proper Hazardous Material equipment and training to local emergency response

agencies; including, but not limited to safety equipment, uniforms, air testing equipment, and decontamination equipment.

Response:

Honeywell has agreed to provide 4 Class -A suits for HAZAMAT-trained responders as requested by the Fire Chief.

Issue 12

Honeywell should directly notify all local emergency response agencies concerning public hearings or training or public education activities related to safety and security. Although some local department heads participated in the recent table top disaster drill, most were not notified of the public hearing on March 18, 2004.

Response:

Both public meetings held in response to the December 22, 2003 incident have been scheduled and coordinated by the NRC. As discussed by the NRC at the public meeting on March 18, 2004, a significant effort is made by the NRC to provide public notification of their meetings. These meetings are held in the county courthouse and announced by NRC press releases. The press release resulted in both radio announcements and a notice in the local paper. While this is normally adequate notification, we can discuss any additional notification needs at our forthcoming meeting. The table-top drill was coordinated through the ESDA Coordinator and was well attended.

Issue 13

Honeywell should notify and include the local hospital and ambulance service in all emergency preparedness drills and training sessions.

Response:

The ambulance service was involved in our recent table top drill. The hospital was not, and we will certainly make sure they are invited in the future. As a note, we have maintained a good relationship with all the hospitals in the area for years.

In November of 2003, in conjunction with Western Baptist Hospital, we invited nurses and physicians from all three local hospitals to receive specific training by Dr. Mike McKinnon, a world expert in the treatment and handling of exposures to Hydrofluoric acid. All three hospitals were represented for the 3 hour session, and those present were given continuing education credits. We also have letters of agreement with all three hospitals providing "a standing offer of orientation or initial training" as necessary for hospital personnel.

Issue 14

Honeywell should obtain a written commitment from the railroad that the railroad will not park railcars containing residual amounts of toxic chemicals belonging to Honeywell in the city limits of the City of Metropolis when they are removed from the Honeywell property. The "empty" railcars frequently still contain two to three thousand pounds of Honeywell's chemicals.

Response:

We will be happy to work with the City of Metropolis to discuss this issue with the railroad. However, the Department of Transportation has the regulatory oversight of these activities. As such, we recommend this also be a topic for discussion at our forthcoming meeting so we can develop a common strategy for establishing a cooperative relationship with the railroad.

Issue 15

Honeywell should regularly provide quality, meaningful training to local emergency response personnel. The training should be designed to educate and familiarize local emergency response personnel with real life scenarios that they will likely confront; appropriate responses; use of equipment; decontamination techniques; and other relevant information. The training sessions conducted since December 22, 2003 have been generic in nature and focused principally upon the Company's desire to be perceived as a good neighbor. They have been very ineffective in addressing public safety.

Response:

Honeywell agrees that regular training to local emergency response personnel is desirable and should provide effective

training to prepare response personnel for real life situations. This is the primary purpose for conducting drills.

We do not agree that the recent training has been ineffective in addressing public safety and is provided only to be perceived as a good neighbor. We are and have been a good neighbor for over 40 years. We take our responsibilities to this community very seriously. The training being offered now is the direct result of feedback provided by local emergency agencies. They specifically requested general introductory training on the chemicals handled in our plant. These are the materials they may face during an emergency. We are also covering the changes to our emergency response plan, which includes the additional notification systems discussed above.

The table-top drill conducted March 11, 2004 was designed to test and evaluate the revised emergency response plan and to test emergency communication abilities with local agencies. Both of these are key elements in addressing public safety. The drill was observed by the NRC and EPA and we identified areas for improvements. A full scale exercise will be scheduled soon. The table top drill met its expectation of challenging our communication issues and classification of emergencies within the plant.

Issue 16

Honeywell should clearly define what is the "hot" or dangerous zone in the event of a release of chemicals. It should differentiate this zone from the area or territory to which notice and warning is given so that emergency response units will know what precautions are necessary for particular geographic areas. For example, the water supply for the entire City of Metropolis is located just outside of the 1.3 mile "zone" The local hospital is located entirely within, the 1.3 mile zone. Are these areas within a "hot" or dangerous zone or are they merely within the area to which notice will be given?

Response:

This issue mixes two fundamental emergency responses concepts. The purpose of the 1.3 mile notification zone is to have assurance that individuals in this area are notified as quickly as possible in the event of an emergency to take protective actions. Anyone receiving notification should seek shelter until the "all clear" is given. The hospital will also be notified to take protective

actions for the facility during an emergency. Furthermore, local responders will receive continuous updates from Honeywell on the status of the emergency, wind speed and direction. They will be aware of where it is safe to move about within the 1.3 mile notification zone.

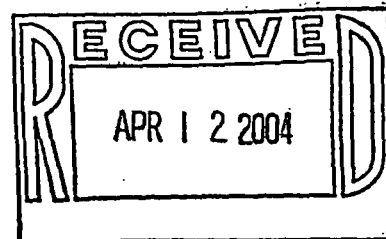


CITY OF METROPOLIS

BETH CLANAHAN, MAYOR

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April 7, 2004



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Beth A. Clanahan, Mayor

BAC:jh