



Global Nuclear Fuel

A Joint Venture of GE, Toshiba & Hatachi

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March 3, 2006

U. S. Nuclear Regulatory Commission
NMSS/FCSS
Attn: Melanie A Galloway
Mail Stop 8F42
Washington, DC 20555

Subject: NRC Performance Indicator Program Input Request

Reference: (1) Docket No. 70-1113, License No. SNM-1097
(2) Letter, M. A. Galloway NRC/NMSS/FCSS to C. M. Vaughan GNF-A,
“Fuel Cycle Facility Performance Indicator Program, February 3, 2006

Dear Ms Galloway:

Global Nuclear Fuel-America, LLC (GNF-A) is pleased to have the opportunity to provide input to the Commissions evaluation of the feasibility of developing common and facility-specific performance indicators (PI) that could be useful in the oversight process for fuel cycle facilities.

With regard to the question about unique aspects of the GNF-A facilities that should be considered in proposing facility-specific performance indicators, GNF-A believes that all the current fuel facilities are somewhat unique in terms of work scope, diversity of processes and management systems. It is this uniqueness and diversity that makes the generation of PIs for this segment of the industry, that result in uniform evaluations of standards of performance, extremely difficult. It is our belief, after our previous work in this area, that the effort required might well outweigh any benefit achieved.

The second part of the request seeks to identify potential PIs and PI thresholds that might be applied to the GNF-A operations. We have continued to give this subject thought and at this

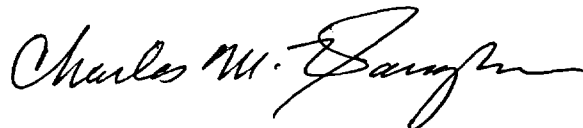
point are not in a position to provide such identification. We believe that there needs to be more stakeholder dialogue before such identification takes place. This should be coordinated through NEI and employ workshops, a model that has worked extremely well in the past. Furthermore it would seem most appropriate that the NRC provide a more definitive framework for the use of the PIs and some general scoping of those common PIs that are being considered.

GNF-A believes that the current process for evaluating the performance of the fuel cycle facilities is effective and is not in need of significant change. However, currently there are a number of significant issues that need to be addressed and it is felt that available resources should be used to address these needs as opposed to embarking on another program that has questionable payback. Those areas needing accelerated attention include finishing up the review and approval of ISA summaries, updating the inspection procedures to align with the revisions to Part 70 including the ISA derived basis of safety, and updating the sections of the enforcement policy that provide continuity to the regulations so that they are consistent with the current risk informed performance based requirements of the now current Part 70.

Again, GNF-A requests that the NRC consider reengaging NEI and the stakeholders to address the common issues of this approach before efforts are spent on facility specific aspects of any such PI program. We also ask that priorities be given to completing other important work on the Commission agenda before tackling some new initiative such as PI program definition. Please feel free to contact me (910) 675 5656 if you would like to discuss the matter further.

Sincerely,

Global Nuclear Fuel – Americas, LLC

A handwritten signature in black ink, appearing to read "Charles M. Vaughan", with a stylized, flowing script.

Charles M. Vaughan
Manager
Facility Licensing

CMV: 06-026