



Global Nuclear Fuel

A Joint Venture of GE, Toshiba, & Hitachi

Global Nuclear Fuel – Americas, LLC
Castle Hayne Road, Wilmington, NC 28401

March 14, 2008

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, D.C. 20555-0001

Subject: NRC Special Investigation Team Exit Meeting

References: 1) NRC License SNM-1097, Docket 70-1113
2) NRC/GNF-A Telecon, March 7, 2008
3) GNF-A Revised ISA Summary, January 30, 2008

Global Nuclear Fuel – Americas, L.L.C.'s (GNF-A) facility in Wilmington, North Carolina, is sending this letter to provide additional information relative to two apparent Notices of Violation discussed during an NRC Special Investigation Team (SIT) telecom on March 7, 2008. The apparent violations were identified during an NRC investigation conducted at our licensed fuel fabrication facility from January 30 thru February 4 and February 19 thru February 21, 2008

During the March 7, 2008 NRC exit telecom, four apparent Notices of Violation were identified. GNF-A understands that apparent violations consist of a potential non-compliance with a regulatory requirement that has not yet been cited as a violation. The first two findings discussed are consistent with our own internal investigation and conclusions. The other two, summarized as a loss of double contingency and emergency alert declaration timeliness appear to be based on incomplete, inaccurate or subjective information.

Regarding loss of double contingency during the January 30, 2008 event, our analyses clearly show multiple barriers were in-place during the event to prevent inadvertent criticality including the scenario of concern stated by the SIT that could have created a direct pathway for moderator to enter the cooling hopper. While it is unclear what information NRC based the finding that double contingency was not maintained, our facility Integrated Safety Analysis (ISA) report (Reference 3) clearly documents more than two independent items relied on for safety for the affected systems in a loss of moderation scenario (Refer to ISA accident sequences 17.9, 18.9 and 19.7). During the event, one of these items was degraded, however, at all times at least two additional robust controls remained fully functional and double contingency was continuously maintained for a defense in-depth approach to criticality safety.

Regarding alert declaration timeliness, the SIT does not appear to have the event characterized in the same manner as our site Emergency Organization characterized it with the facts and information available at the time. It is important to note that at no time did any actual unsafe condition or actual condition warranting declaration of an alert condition exist. The alert declaration was made as a conservative measure based on uncertainty in the information available at the time.

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Furthermore, it should be noted that during this time, the affected systems were totally static, event conditions were not changing as a function of time (the process had been shutdown for more than 24 hours) and an earlier alert declaration would not have changed anything relative to the event outcome. Based on the situation as understood by us, it is unclear what information NRC based a finding that an alert should have been declared sooner.

As we believe it is NRC's intent that its findings and observations are correctly characterized and based on accurate information, we are providing this additional information so that NRC's can make a fully informed decision relative to these potential Notices of Violation.

We would be happy to meet with you and your staffs in person to discuss these matters in detail. Please contact me on (910) 675-5950 to set up a meeting or if you require additional information or clarification.

Sincerely,

A handwritten signature in black ink, appearing to read "S.P. Murray", is written over the typed name.

S.P. Murray, Manager
Licensing and Liabilities COE

cc: SPM 08-017

D. Jackson, NRC NMSS, Washington, DC
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