



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION II
245 PEACHTREE CENTER AVENUE NE, SUITE 1200
ATLANTA, GEORGIA 30303-1257

April 25, 2016

EA-14-114

Mr. John Albritton
Plant Manager
Honeywell Metropolis Works
P.O. Box 430
Metropolis, IL 62960

**SUBJECT: HONEYWELL METROPOLIS WORKS – NUCLEAR REGULATORY COMMISSION
INTEGRATED INSPECTION REPORT 40-3392/2016-002**

Dear Mr. Albritton:

This refers to the inspection conducted from January 1 to March 31, 2016, at the Honeywell facility in Metropolis, IL. The purpose of the inspection was to determine whether activities authorized under the license were conducted safely and in accordance with Nuclear Regulatory Commission (NRC) requirements. The enclosed report presents the results of the inspection. The findings were discussed with members of your staff at an exit meeting held on March 9, 2016, for this integrated inspection report.

During the inspection, the NRC staff examined activities conducted under your license as they related to public health and safety and to confirm compliance with the Commission's rules and regulations, and with the conditions of your license. Areas examined during the inspection are identified in the enclosed report. Within these areas, the inspection consisted of selected examination of procedures and representative records, observations of activities, and interviews with personnel.

The inspection covered the licensee's action associated with Confirmatory Order (Order) EA-14-114. The NRC issued the Order on March 11, 2015, as a result of an agreement reached during an ADR mediation session conducted in December 2014. The Order was issued in response to an Office on Investigations (OI) investigation that substantiated that a contract employee was terminated, in part, for raising a safety concern regarding the fitness-for-duty of her supervisor. The licensee committed to, as part of the agreement, to implement enhancements to the safety conscious work environment at the site. The inspectors reviewed all the agreed upon elements of the Order and found them to be implemented as required by the Order and all elements were completed within the time constraints specified in the Order. No findings of significance were identified and the NRC considers this Order closed.

In accordance with 10 CFR 2.390 of the 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 document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Should you have any questions concerning the inspections, please contact us.

Sincerely,

/RA/

Marvin D. Sykes, Chief
Projects Branch 1
Division of Fuel Facility Inspection

Docket No. 40-3392
License No. SUB-526

Enclosure:
NRC Inspection Report No. 40-3392/2016-002
w/Attachment: Supplementary Information

cc: (See page 3)

Should you have any questions concerning the inspections, please contact us.

Sincerely,

/RA/

Marvin D. Sykes, Chief
Projects Branch 1
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Docket No. 40-3392
License No. SUB-526

Enclosure:
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w/Attachment: Supplementary Information

cc: (See page 3)

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cc:

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U. S. NUCLEAR REGULATORY COMMISSION
REGION II

Docket No.: 40-3392

License No.: SUB-526

Report No.: 40-3392/2015-005

Licensee: Honeywell International, Inc.

Facility: Metropolis Works (MTW)

Location: Metropolis, IL 62960

Dates: January 1 to March 31, 2016

Inspector: L. Pitts, Senior Fuel Facility Project Inspector

Approved by: Marvin Sykes, Chief
Projects Branch 1
Division of Fuel Facility Inspection

Enclosure

EXECUTIVE SUMMARY

Honeywell Metropolis Works
NRC Integrated Inspection Report 40-3392/2016-002
January 1- March 31, 2016

Special Topics

- The inspection was conducted by a regional inspector during normal shifts in the areas of safety culture. The inspector reviewed the implementation of the licensee's actions taken as required by Confirmatory Order EA-14-144 which was issued March 11, 2015, in response to a contract employee who was terminated, in part, for raising a safety concern. The inspector found all the agreed upon elements of the confirmatory order were implemented as required by the order and all elements were completed within the time constraints specified in the order.

Attachment

Key Points of Contact

List of Items Opened, Closed, and Discussed

Documents Reviewed

REPORT DETAILS

Plant Description

The Honeywell Metropolis Works (licensee) uranium conversion facility is located on a 1,100 acre site (60 acres within the fence line) near Metropolis, IL. The licensee is authorized to possess 150 million pounds of natural uranium ore and to convert this material to uranium hexafluoride (UF₆). The uranium conversion process occurs in the Feed Materials Building (FMB).

A. Special Topics

1. Confirmatory Order EA-14-114 Closure

a. Inspection Scope and Observations

On March 11, 2015, the NRC issued Confirmatory Order (Order) EA-14-114 as a result of an agreement reached during an ADR mediation session conducted in December 2014. The Order was issued in response to an OI investigation that substantiated that a contract employee was terminated, in part, for raising a safety concern regarding the fitness-for-duty of her supervisor. The licensee committed to, as part of the agreement, to implement enhancements to the safety conscious work environment (SCWE) at the site. The inspector reviewed all the agreed upon elements of the Order and found them to be implemented as required by the Order and all elements were completed within the time constraints specified in the Order. The following is a description of those elements and a summary of the verifications that were performed by the inspector.

Communication

- By no later than 60 calendar days after the issuance of this Order, one or more members of Honeywell's management, at a level at least equal to the Plant Manager at Honeywell's Metropolis, Illinois facility, will issue site-wide written communication to all employees at the Honeywell's Metropolis facility and to all personnel engaged in NRC-regulated activities at the Olathe Service Center (Olathe, Kansas) and System Sensor (St. Charles, Illinois) facilities, reinforcing Honeywell's commitment to maintaining a SCWE and reaffirming Honeywell's insistence upon the protection of employees' right and obligation to raise safety issues.
- By no later than 90 calendar days after the issuance of this Order, Honeywell shall communicate its SCWE policy to Honeywell employees at Honeywell's Metropolis, Illinois facility in one or more all-hands meetings, providing employees with the opportunity to ask questions in a live forum.
- By no later than 90 calendar days after the issuance of this Order, Honeywell shall place posters in strategic areas throughout Honeywell Metropolis, Illinois facility to promote SCWE and inform employees of avenues available to employees to raise concerns including the NRC.
- By no later than 90 calendar days after the issuance of this Order, Honeywell shall develop and distribute pocket-sized cards that discuss avenues available to employees to raise concerns including the NRC. Honeywell shall distribute these

cards to all employees at Honeywell's Metropolis, Illinois facility, and to all personnel engaged in NRC-regulated activities at the Olathe Service Center (Olathe, Kansas) and System Sensor (St. Charles, Illinois) facilities.

- By no later than one (1) year after the issuance of this Order, a Honeywell representative shall provide a presentation at a public forum about Honeywell's SCWE policy and its compliance program relating to the NRC's Employee Protection Rule.

The following is a summary of items reviewed by the NRC inspector to verify proper implementation of the Order requirements related to communication. The inspector: (1) reviewed the related written communications and their distribution, (2) interviewed Honeywell employees and contractors, (3) reviewed Honeywell's SCWE policy training, (4) reviewed the SCWE posters for necessary content and placement, (5) verified that pocket-sized cards that discuss avenues available to employees to raise concerns including the NRC, had been developed and distributed as required by the Order and (6) verified that a Honeywell representative had provided the required public presentation. The inspector reviewed this presentation and found that it adequately met the requirements of the Order. This presentation was performed at the National Association for Employee Concerns Professionals (NAECP) meeting in San Diego, California, on February 23, 2016. The inspector determined that all the agreed upon elements of the Order related to communication had been implemented as required by the Order and all elements were completed within the time constraints specified in the Order.

Training

- Honeywell shall review its existing general employee training (GET) to ensure coverage of NRC's Employee Protection Rule (10 CFR 40.7). The training will include insights from the underlying matter and SCWE, case studies, and behavioral observation. This review will be completed and documented within 120 calendar days of the issuance of this Order. If this review reveals a need to revise the GET, Honeywell shall make the appropriate revisions within 180 calendar days of the issuance of this Order.
- By no later than 180 calendar days after the issuance of this Order, Honeywell shall develop initial SCWE training for all employees and behavioral observation supervisor training to include discussion of the NRC's Employee Protection Rule, case studies and table top role playing. This will be included in any return-to-work training for all employees and in all new supervisor training. Honeywell shall provide annual refresher training for Honeywell supervisors after the initial training. Honeywell shall use a training instructor (internal or external) with expertise in SCWE and NRC regulations to conduct such training.
- By no later than 180 calendar days after the issuance of this Order, Honeywell shall modify its existing B-council training to include behavioral observation and SCWE topics twice every 12 months.

- By no later than 270 calendar days after the issuance of this Order, Honeywell shall develop and provide biennial SCWE and behavioral observation training for employees to include case studies and the NRC's Employee Protection Rule (10 CFR 40.7). Honeywell shall use a training instructor (internal or external) with expertise in SCWE and NRC regulations for such training. This training shall be included in the new employee training.
- By no later than 270 calendar days after the issuance of this Order, Honeywell shall develop and provide initial SCWE training for all personnel engaged in NRC-regulated activities at the Metropolis, IL, Olathe Service Center (Olathe, Kansas) and System Sensor (St. Charles, Illinois) facilities to include the NRC's Employee Protection Rule (10 CFR 30.7). Honeywell shall provide annual refresher training after the initial training. Honeywell shall use a training instructor (internal or external) with expertise in SCWE and NRC regulations to conduct such training.

The following is a summary of items reviewed by the NRC inspector to verify proper implementation of the Order requirements related to training. The inspector:

(1) interviewed Honeywell employees and contractors, (2) reviewed the various training presentations, (3) observed conduct of the revised new employee training, (4) reviewed the applicable training records and attendance sheets, (5) verified the qualifications of the staff that were selected to provide the SCWE training and (6) verified that controls were in place to ensure that refresher training would be scheduled as required. The inspector determined that all the agreed upon elements of the Order related to training had been implemented as required by the Order and all elements were completed within the time constraints specified in the Order.

Work Process

- By no later than 90 calendar days after the issuance of this Order, Honeywell shall modify the Incident Tracking and Corrective Action (ITCA) process to accept anonymous submissions from employees. Honeywell shall update the ITCA procedure on checking, processing and addressing any concerns. In case of non-anonymous submissions, employees may request a copy of the submission as entered into the ITCA.
- By no later than 90 calendar days after the issuance of this Order, Honeywell shall establish a procedure to include guidance on monitoring and processing concerns and informing management of concerns received through the Honeywell SCWE hotline.
- By no later than 120 calendar days after the issuance of this Order, Honeywell shall develop and include a provision in any new or renewed agreements with its contractors that expressly highlights the contractor's obligation to comply with the applicable NRC Employee Protection Rule (10 CFR 40.7).
- By no later than 120 calendar days after the issuance of this Order, Honeywell shall ensure that new and renewed contracts entered into by Honeywell require contractors, when any formal adverse action is taken against a contractor employee

at the Metropolis, Illinois facility (i.e., terminations, suspensions and written reprimands) to certify that the formal adverse action was not taken for reasons prohibited by the NRC's Employee Protection Rule (10 CFR 40.7).

- By no later than 120 calendar days after the issuance of this Order, Honeywell shall modify the Honeywell Designated Representative (HDR) procedure to require the HDR to periodically inquire about any concerns raised through a contractor's concerns resolutions program that have not been submitted to any of Honeywell's concerns resolution avenues. The HDR shall enter such concerns in Honeywell's ITCA system as appropriate.
- By no later than 120 calendar days after the issuance of this Order, Honeywell shall develop and implement a procedure for behavioral observation activities.

The following is a summary of items reviewed by the NRC inspector to verify proper implementation of the Order requirements related to work process. The inspector: (1) interviewed Honeywell employees and contractors, (2) verified that Honeywell MTW had implemented two methods for initiating anonymous SCWE submissions to the ITCA, (3) verified that Honeywell MTW had developed a procedure, MTW-ADM-AD-130, SCWE Safety Hot Line, Safety Suggestion Box and Outside Inquiries/Concerns, to include guidance on monitoring and processing concerns and informing management of concerns received through the Honeywell SCWE hotline, (4) verified that Honeywell Policy document, MTW-POL-MT-0004, Contractor Safety Guidelines, had been revised to include a provision in any new or renewed agreements with its contractors that expressly highlights the contractor's obligation to comply with the applicable NRC Employee Protection Rule (10 CFR 40.7) and to develop a certification process to ensure that the formal adverse action was not taken for reasons prohibited by the NRC's Employee Protection Rule (10 CFR 40.7), (5) verified that MTW-SAF-LS-0015, Contractor Work Permit, administrative procedure had been implemented to ensure the HDR periodically inquired about any concerns raised by contractors and enter such concerns in the ITCA system as appropriate, and (6) verified that MTW-ADM-SAF-0009, Safety Conscious Work Environment/Behavior Observation, had been adequately implemented. The inspector determined that all the agreed upon elements of the Order related to work process had been implemented as required by the Order and all elements were completed within the time constraints specified in the Order.

Policy Guidance

- By no later than 90 calendar days after the issuance of this Order, Honeywell shall review and update Honeywell's SCWE policy and incorporate into the SCWE policy the applicable aspects of the NRC's Safety Culture Policy statement as appropriate.

To comply with this section of the Order, Honeywell MTW developed a new administrative procedure, MTW-ADM-SAF-0009, Safety Conscious Work Environment/Behavior Observation. The inspector interviewed Honeywell employees and contractors and reviewed MTW-ADM-SAF-0009 to verify that it contained the necessary updates and the applicable aspects of the NRC's Safety Culture Policy statement.

b. Conclusion

No findings of significance were identified and the conditions of the Order were met.

D. Exit Meeting

The inspection scope and results were presented to members of the licensee's staff on March 9, 2016, to J. Albritton and staff. No dissenting comments were received from the licensee. Proprietary information was discussed but not included in the report.

SUPPLEMENTARY INFORMATION

1. KEY POINTS OF CONTACT

<u>Name</u>	<u>Title</u>
S. Patterson	Regulatory Affairs manager
J. Albritton	Plant Manager
M. Wolf	Nuclear Compliance Director

2. LIST OF ITEMS OPENED, CLOSED, AND DISCUSSED

Closed

EA-14-114 Contract employee was terminated, in part, for raising a safety concern regarding the fitness for duty of her supervisor

3. DOCUMENTS REVIEWED

Procedures

MTW-SAF-LS-0015, Contractor Work Permit, Revision (Rev.) 2, dated June 2, 2015
MTW-POL-MT-0004, Contractor Safety Guidelines, Rev. 21, dated September 3, 2015
MTW-ADM-AD-0130, SCWE Safety Hotline, Safety Suggestion Box and Outside
Inquiries/Concerns, Rev. 2, dated June 6, 2015
MTW-ADM-SAF-0009, Safety Conscious Work Environment/Behavior Observation, Rev. 0,
dated June 2, 2015
MTW-ADM-REG-0110, Corrective Action Program, Rev. 5, dated June 2, 2015
MTW-SAF-LS-0008, Incident Investigation and Event Reporting, Rev. 25, dated June 30,
2015
MTW-SAF-LS-0008, Incident Investigation and Event Reporting, Rev. 28, dated January 7,
2016
Honeywell Safety Culture Policy Statement
MTW-ADM-SAF-0009, Safety Conscious Work Environment and Behavioral Observation
Procedure Training developed August 2015

Training

Safety Conscious Work Environment Supervisor Training developed August 2015
Safety Conscious Work Environment Barriers, Building Blocks and Best Practices Training
developed August 2015