

SAFEGUARDS INFORMATION

August 18, 2004

EA 03-096

Mr. Roy J. O'Kane
Plant Manager
Honeywell International, Inc.
P. O. Box 430
Metropolis, IL 62960

SUBJECT: ISSUANCE OF ORDER FOR IMPLEMENTATION OF ADDITIONAL SECURITY MEASURES ASSOCIATED WITH ACCESS AUTHORIZATION

Dear Mr. O'Kane:

The U.S. Nuclear Regulatory Commission has issued the enclosed Order that modifies the current license at your facility to require compliance with the specified additional security measures (ASMs). These ASMs are listed in Attachment 1 of the enclosed Order. The Commission recognizes that you have voluntarily and responsibly implemented ASMs following the events of September 11, 2001, but in light of the current threat environment, the Commission concludes that these ASMs are necessary, consistent with the established regulatory framework.

The Commission has determined the current threat environment requires that the enclosed Order be effective immediately. The requirements will remain in effect until the Commission determines otherwise.

This order does not eliminate the need for licensees to continue to meet the objectives of the current security protective measures as promulgated by updated security advisories. Licensees must also continue to maintain the effectiveness of existing security measures taken in response to the events of September 11, 2001, and any subsequent Orders issued.

Warning: Violation of Section 147 of the Atomic Energy Act, "Safeguards Information" is subject to Civil and Criminal Penalties.

Document transmitted herewith contains sensitive unclassified information. When separated from Attachments 1 or 2, this document is decontrolled.

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R. J. O'Kane

Please contact your Project Manager or Brad Baxter (301-415-6742) to facilitate resolution of any issues related to compliance with the requirements in the enclosed Order, or if you have any other questions.

The enclosed Order has been forwarded to the Office of the Federal Register for publication.

Sincerely,

/RA/

Margaret V. Federline, Deputy Director
Office of Nuclear Material Safety
and Safeguards

Enclosure: Order w/Attachments

Docket No: 40-3392

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RIDS/SFPO/OD	FCongel	A.Thadani				

* See previous concurrence ADAMS NO. ML042240002

OFFICE	LPSS		LPSS/ASC		DNS/DD		DNS/D	
NAME	BBaxter*		GWest*		JShea*		GTracy*	
DATE	07/27/04		08/06/04		08/09/04		08/13/04	
OFFICE	NMSS/FCSS		NMSS/FCSS		OE		OGC	
NAME	MRaddatz*		RNelson*		FCongel*		DCummings*	
DATE	08/10/04		08/10/04		08/13/04		08/13/04	
OFFICE	FCSS		NSIR/D		NMSS/D			
NAME	RPierson*		RZimmerman*		MFederline			
DATE	08/13/04		08/13/04		08/ /04			

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SAFEGUARDS INFORMATION

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

In the Matter of)	
)	
HONEYWELL INTERNATIONAL, INC.)	Docket No. 40-3392
METROPOLIS WORKS FACILITY)	License No. SUB-526
METROPOLIS, ILLINOIS)	EA 03-096

**ORDER MODIFYING LICENSE
(EFFECTIVE IMMEDIATELY)**

I

Honeywell International, Inc. ("Honeywell" or the "licensee") holds Materials License No. SUB-526, issued by the U. S. Nuclear Regulatory Commission (NRC or Commission) authorizing the licensee to receive, acquire, possess and transfer byproduct and source material in accordance with the Atomic Energy Act of 1954 and 10 C. F. R. parts 30 and 40. Commission regulations at 10 C.F.R. § 20.1801, require the licensee to secure licensed material from unauthorized removal or access from controlled or unrestricted areas. Further, License Condition 10 of Materials License No. SUB-526, as amended, requires the licensee to implement and maintain specific measures to control public and private access to the facility as described in the October 1, 1998, enclosure to its application dated September 23, 1998.

Warning: Violation of Section 147 of the Atomic Energy Act, "Safeguards Information" is subject to Civil and Criminal Penalties.

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On September 11, 2001, terrorists simultaneously attacked targets in New York, N.Y., and Washington D.C., utilizing large commercial aircraft as weapons. In response to the attacks and intelligence information subsequently obtained, the Commission issued a number of Safeguards and Threat Advisories to its licensees in order to strengthen licensees' capabilities and readiness to respond to a potential attack on a nuclear facility. The Commission has also communicated with other Federal, State and local government agencies and industry representatives to discuss and evaluate the current threat environment in order to assess the adequacy of security measures at licensed facilities. In addition, the Commission has been conducting a comprehensive review of its safeguards and security programs and requirements.

As a result of its initial consideration of the current safeguards and security requirements, as well as a review of information provided by the intelligence community, the Commission issued a Confirmatory Action Letter, No. RIII-01-005, dated December 21, 2001 to Honeywell, confirming the Licensee's agreement to immediately implement enhanced security measures and review longer term security enhancements to the site. On March 29, 2002 the Commission issued an Order to Honeywell to put the actions taken in response to the advisories in the established regulatory framework and implement additional enhancements which emerged from the NRC's ongoing comprehensive review. The Commission has now determined that certain additional security measures are required to address the current threat. Therefore, the Commission is imposing requirements, set forth in Attachment 1¹ of this Order, which supplement existing regulatory requirements and any previously issued Order, to provide the Commission with reasonable assurance that the public health and safety and the common defense and security continue to be adequately protected in the current threat environment. These requirements will

¹ Attachment 1 contains SAFEGUARDS INFORMATION and will not be released to the public.

remain in effect until the Commission determines otherwise.

The Commission recognizes that some of the requirements set forth in Attachment 1 to this Order may already have been initiated by Honeywell in response to previously issued advisories, Confirmatory Action Letter No. RIII-01-005, the March 29, 2002 Order or on its own. It also recognizes that some measures may need to be tailored to accommodate the specific circumstances or characteristics existing at the licensee's facility, to achieve the intended objectives and avoid any unforeseen effect on safe operation. Although the licensee's response to the Safeguards Threat Advisories and the March 29, 2002 Order has been adequate to provide reasonable assurance of adequate protection of the public health and safety, the Commission believes that the response must be supplemented because the current threat environment continues to persist. Therefore, it is appropriate to require certain additional security measures.

In order to provide assurance that the licensee is implementing prudent measures to achieve an appropriate level of protection to meet the current threat environment, Materials License No. SUB-526 is modified to include the requirements identified in Attachment 1 to this Order. In addition, pursuant to 10 C.F.R. § 2.202, I find that, in the circumstances described above, the public health, safety and interest require that this Order be immediately effective.

III

Accordingly, pursuant to Sections 63, 81, 161b, 161i, 161o, 182 and 186 of the Atomic Energy Act of 1954, as amended, the Commission's regulations in 10 C.F.R. § 2.202 and 10 C.F.R. Parts 30 and 40, IT IS HEREBY ORDERED, **EFFECTIVE IMMEDIATELY**, THAT MATERIALS LICENSE NO. SUB-526 IS MODIFIED AS FOLLOWS:

- A. The licensee shall, notwithstanding the provisions of any Commission regulation or license to the contrary, comply with the requirements described in Attachment 1 to this Order.

The Licensee shall immediately start implementation of the requirements in Attachment 1

to the Order and shall complete implementation **no later than 180 days from the date of this Order**, with the exception of the additional security measure B.4., which shall be implemented **no later than 365 days from the date of this Order**.

- B.
1. The Licensee shall, within **twenty (20) days** of the date of this order, notify the Commission, (1) if it is unable to comply with any of the requirements described in Attachment 1, (2) if compliance with any of the requirements is unnecessary in its specific circumstances, or (3) if implementation of any of the requirements would cause the Licensee to be in violation of the provisions of any Commission regulation or the facility license. The notification shall provide the Licensee's justification for seeking relief from or variation of any specific requirement.
 2. If the Licensee considers that implementation of any of the requirements described in Attachment 1 to this Order would adversely impact safe operation of the facility, the Licensee must notify the Commission, within **twenty (20) days** of this Order, of the adverse safety impact, the basis for its determination and that the requirement has an adverse safety impact, and either a proposal for achieving the same objectives specified in the Attachment 1 requirement in question, or a schedule for modifying the facility procedures and practices to address the adverse safety condition. If neither approach is appropriate, the Licensee must supplement its response to Condition B.1 of this Order to identify the condition as a requirement with which it cannot comply, with attendant justifications as required in Condition B.1.
- C.
1. The Licensee shall, within **twenty (20) days** of the date of this Order, submit to the Commission, a schedule for achieving compliance with each requirement described in Attachment 1.

2. The Licensee shall report to the Commission, when it has achieved full compliance with the requirements described in Attachment 1.

D. Notwithstanding any provision of the Commission's regulations to the contrary, all measures implemented or actions taken in response to this Order shall be maintained pending until the Commission determines otherwise.

Licensee responses to Conditions B.1, B.2, C.1 and C.2 above, shall be submitted in accordance with 10 C.F.R. §§ 30.6 and 40.5. In addition, Licensee submittals that contain Safeguards Information shall be properly marked and handled in accordance with 10 C.F.R. § 73.21.

The Director, Office of Nuclear Material Safety and Safeguards, may, in writing, modify, relax or rescind any of the above conditions upon demonstration by the Licensee of good cause.

IV

In accordance with 10 C.F.R. § 2.202, the Licensee must, and any other person adversely affected by this Order may, submit an answer to this Order, and may request a hearing on this Order, within 20 days of the date of the Order. Where good cause is shown, consideration will be given to the time to request a hearing. A request for extension of time in which to submit an answer or request a hearing must be made in writing to the Director, Office of Nuclear Material Safety and Safeguards, Nuclear Regulatory Commission, Washington, DC 20555, and include a statement of good cause for the extension. The answer may consent to this Order. Unless the answer consents to this Order, the answer shall, in writing and under oath or affirmation, specifically set forth the matters of fact and law on which the Licensee or other person adversely affected relies and the reasons as to why the Order should not have been issued. Any answer or

request for a hearing shall be submitted to the Secretary, U.S. Nuclear Regulatory Commission, ATTN: Rulemakings and Adjudications Staff, Washington, DC 20555. Copies also shall be sent to the Director, Office of Nuclear Material Safety and Safeguards and the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington DC, 20555, to the Assistant General Counsel for Materials Litigation and Enforcement, at the same address, to the Regional Administrator, NRC Region II, 801 Warrenville Road, Lisle, Illinois 60532, and to the Licensee if the answer or hearing request is by a person other than the Licensee. Because of possible disruptions in delivery of mail to United States Government offices, it is requested that decontrolled answers, (no Safeguards Information) and requests for a hearing be transmitted to the Secretary of the Commission either by means of facsimile transmission to 301-415-1101 or by email to hearingdocket@nrc.gov and also to the Office of General Counsel either by means of facsimile transmission to 301-415-3725 or by email to OGCMailCenter@nrc.gov. If a person other than the Licensee requests a hearing, that person shall set forth with particularity the manner in which his/her interest is adversely affected by this Order and shall address the criteria set forth in 10 C.F.R. § 2.714(d). If a person other than the Licensee requests a hearing, that person shall set forth with particularity the manner in which his interest is adversely affected by this Order and shall address the criteria set forth in 10 C.F.R. § 2.714(d).

If a hearing is requested by the Licensee or a person whose interest is adversely affected, the Commission will issue an Order designating the time and place of any hearing. If a hearing is held, the issue to be considered at such hearing shall be whether this Order should be sustained.

Pursuant to 10 C.F.R. § 2.202(c)(2)(i), the Licensee, may, in addition to demanding a hearing, at the time the answer is filed or sooner, move the presiding officer to set aside the immediate effectiveness of the Order on the ground that the Order, including the need for immediate effectiveness, is not based on adequate evidence but on mere suspicion, unfounded

allegations or error.

In the absence of any request for hearing, or written approval of an extension of time in which to request a hearing, the provisions specified in Section III above shall be final 20 days from the date of this Order without further order or proceedings. If an extension of time for requesting a hearing has been approved, the provisions specified in Section III shall be final when the extension expires if a hearing request has not been received. AN ANSWER OR A REQUEST FOR HEARING SHALL NOT STAY THE IMMEDIATE EFFECTIVENESS OF THIS ORDER.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Margaret V. Federline, Deputy Director
Office of Nuclear Material Safety
and Safeguards

Dated this 18 day of August 2004.

Attachments:

- 1) Additional Security Measures
- 2) Guidance for Additional Security Measures for the Uranium Conversion Facility