

SAFEGUARDS INFORMATION

March 25, 2002

Mr. J. William Lessig
Plant Manager
Honeywell International, Inc.
P. O. Box 430
Metropolis, IL 62960

SUBJECT: ISSUANCE OF ORDER FOR COMPENSATORY SAFEGUARDS MEASURES

Dear Mr. Lessig:

The U.S. Nuclear Regulatory Commission has issued the enclosed Order that modifies the current license for your facility to require compliance with the specified interim safeguards and security measures. These interim compensatory measures are listed in Attachment 1 of the enclosed Order. The Commission recognizes that you have voluntarily and responsibly implemented additional security measures following events of September 11, 2001, but in light of the continuing current threat environment, the Commission concludes that the security measures should be embodied in an Order, consistent with the established regulatory framework.

The Commission has determined that the current threat environment requires that the enclosed Order be effective immediately. The requirements will remain in effect pending notification from the Commission that a significant change in the threat environment has occurred, or until the Commission determines that other changes are needed following a more comprehensive re-evaluation of current safeguards and security program.

The enclosed Order calls for response within specified time frames. With respect to the notices and submissions required by Sections IIIB and IIIC of the Order, for any requirement of Attachment 1 that requires an analysis or is contingent on completion of another requirement of Attachment 1, it will be a sufficient response if you state in your twenty-day submission that completion of the requirement is dependent on completion of an analysis or other requirement and the expected date of completion of the analysis or other requirement. Upon completion of such analysis or other requirement, you should promptly submit the results and the actions thereafter proposed with respect to the requirement at issue, as well as the projected date of completion. No extension of time from the twenty-day requirement is necessary for such responses submitted within twenty days.

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As a separate matter, if you wish to preserve your right to request a hearing on any requirement contingent upon completion of an analysis or other requirement, a request for an extension of time to request a hearing must be filed within twenty days of the date of this order in accordance with Section IV of the order. Such a request may seek a reasonable period of time to request a hearing beyond the date that the staff informs you whether the actions proposed and completion date for the requirement(s) contingent upon an analysis or other requirement are satisfactory.

Please contact Catherine Haney at (301) 415 - 6825 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/

Martin J. Virgilio, Director
Office of Nuclear Material Safety
and Safeguards

Enclosure: Order Modifying License

Docket No.: 40-3392

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Sincerely,

/RA/

Martin J. Virgilio, Director
Office of Nuclear Material Safety
and Safeguards

Enclosure: Order Modifying Licenses

Docket No.: 40-3392

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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 02-025

**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 that the

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licensee 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.

II

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 commenced a comprehensive review of its safeguards and security programs and requirements.

As a result of its initial consideration of current safeguards and security plan requirements, as well as a review of information provided by the intelligence community, the

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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. The Commission has now determined that certain compensatory measures should be required to be implemented by the licensee as prudent, interim measures to address the current threat. Therefore, the Commission is imposing interim requirements, set forth in Attachment 1¹ of this Order, which supplement existing regulatory requirements, to provide the Commission with reasonable assurance that the public health and safety and common defense and security continue to be adequately protected in the current threat environment. This order supercedes the Confirmatory Action Letter of December 21, 2001. These requirements will remain in effect pending notification from the Commission that a significant change in the threat environment occurs, or until the Commission determines that other changes are needed following a comprehensive re-evaluation of current safeguards and security programs.

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

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The Commission recognizes that some of the requirements set forth in Attachment 1² to this Order may already have been initiated by Honeywell in response to previously issued advisories, Confirmatory Action Letter No. RIII-01-005, or on its own. It is also recognized that some measures may need to be tailored to specifically accommodate the specific circumstances and characteristics existing at the licensee's facility to achieve the intended objectives and avoid any unforeseen effect on safe operation. And, although the licensee's response to the Safeguards and Threat Advisories and the December 21, 2001 Confirmatory Action Letter has been adequate to provide reasonable assurance of adequate protection of public health and safety, the Commission believes that the response must be supplemented because the current threat environment has persisted longer than expected and as a result, it is appropriate to require certain security measures so that they are maintained within the established regulatory framework. Thus, in order to provide assurance that the licensee is implementing prudent measures to achieve a consistent level of protection to address 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 To the extent that specific measures identified in Attachment 1 to this Order require actions pertaining to the Licensee's possession and use of chemicals, such actions are being directed on the basis of the potential impact of such chemicals on radioactive materials and activities subject to NRC regulation.

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§ 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, and 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 July 1, 2002.**
- 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

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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 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 to address the adverse safety condition. If neither approach is appropriate, the Licensee must supplement its response to Condition B1 of this Order to identify the condition as a requirement with which it cannot comply, with attendant justifications as required in Condition B1.
- 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.

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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 notification from the Commission that a significant change in the threat environment occurs, or until the Commission determines that other changes are needed following a comprehensive re-evaluation of current safeguards and security programs.

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.

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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 this Order. Where good cause is shown, consideration will be given to extending 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, U.S. 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 III, 801 Warrenville Road, Lisle, Illinois 60532, and to the Licensee if the answer or hearing request is by a person other than the Licensee. If a person other than the Licensee

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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.

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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/

Martin J. Virgilio, Director
Office of Nuclear Material Safety
and Safeguards

Dated this 25 day of March 2002

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