



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION II
SAM NUNN ATLANTA FEDERAL CENTER
61 FORSYTH STREET, SW, SUITE 23T85
ATLANTA, GEORGIA 30303-8931

[REDACTED]

January 26, 2006

EA-06-018
Event No. 42133

Mr. Kerry Schutt, President
General Manager
Nuclear Fuel Services, Inc.
P. O. Box 337, MS 123
Erwin, TN 37650

SUBJECT: CONFIRMATION OF CLOSED PRE-DECISIONAL ENFORCEMENT
CONFERENCE (NRC INSPECTION REPORT NO. 70-143/2005-010), NUCLEAR
FUEL SERVICES, INC. - DOCKET NO. 70-143

Dear Mr. Schutt:

This letter confirms the pre-decisional enforcement conference scheduled for March 1, 2006, at 9:00 a.m. (EDT) at the Region II Office in Atlanta, GA. The purpose of this meeting is to discuss the apparent violation associated with the failure to consider how credible abnormal process conditions could degrade or defeat the function of glovebox drains [REDACTED]. An additional issue associated with the apparent violation involves the failure to report the glovebox vulnerability to the NRC under 10 CFR 70, Appendix A. The issue was not reported for approximately three weeks. This issue was identified in Inspection Report No. 70-143/2005-010. For further details, please refer to our letter to you dated December 16, 2005.

This conference will be closed to public observation in accordance with the Commission's program as discussed in the Enforcement Policy due to the discussion of proprietary information and the sensitive nature of information to be discussed pursuant to 10 CFR 2.390. A proposed agenda for the conference is included as an enclosure to this letter.

The decision to hold a pre-decisional enforcement conference does not mean the NRC has determined that a violation occurred or that enforcement action will be taken. This conference is being held to obtain information to assist the NRC in making an enforcement decision. This may include information to determine whether violations occurred, information to determine the significance of the violations, information related to the identification of the violations, and information related to any corrective actions that were taken or planned. The conference also will provide you an opportunity to provide your perspective on these matters and any other information you believe the NRC should take into consideration in making an enforcement decision. In particular, the NRC staff is interested in your assessment of the safety significance of the issue and the potential for an accidental criticality. In presenting your corrective actions,

[REDACTED]

K. Schutt

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you should be aware that the promptness and comprehensiveness of your actions will be considered in assessing any civil penalty for the apparent violation. The guidance contained in NRC Information Notice 96-28, "SUGGESTED GUIDANCE RELATING TO DEVELOPMENT AND IMPLEMENTATION OF CORRECTIVE ACTION", may be helpful and is available on the NRC's Web site.

Since the NRC has not made a final determination in this matter, no Notice of Violation is being issued for the inspection finding at this time. In addition, please be advised that the number and characterization of apparent violations described in the referenced inspection report may change as a result of further NRC review. You will be advised by separate correspondence of the results of our deliberations in this matter. No response regarding the apparent violation is required at this time.

[REDACTED]

Should you have any questions concerning this letter, please contact me at (404) 562-4700 or Ms. Carolyn F. Evans, Enforcement Officer, at (404) 562-4414.

Sincerely,

/RA/

Douglas M. Collins, Director
Division of Fuel Facility Inspection

Docket No. 70-143
License No. SNM-124

Enclosure: Proposed Agenda

cc w/encl:
B. Marie Moore
Vice President
Safety and Regulatory Management
Nuclear Fuel Services, Inc.
P. O. Box 337, MS 123
Erwin, TN 37650

Distribution w/encl: (See page 3)

[REDACTED]

K. Schutt

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ADAMS: Yes ACCESSION NUMBER: _____

OFFICE	RII:DFFI	RII:DFFI	RII:EICS	RII:DFFI			
SIGNATURE	/RA/	/RA/	/RA/				
NAME	WGloersen	DAyres	CEvans	DRich			
DATE	01/25/2006	01/25/2006	01/25/2006	01/24/2006	May 18, 2008	May 18, 2008	May 18, 2008
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

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DOCUMENT NAME: E:\Filenet\ML060260384.wpd

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PROPOSED CLOSED PRE-DECISIONAL ENFORCEMENT CONFERENCE AGENDA

NRC REGION II OFFICE

ATLANTA, GEORGIA

MARCH 1, 2006- 9:00 A.M.

I. OPENING REMARKS AND INTRODUCTIONS

W. Travers, Regional Administrator

II. NRC ENFORCEMENT POLICY

C. Evans, Enforcement Officer and Regional Counsel

III. SUMMARY OF THE ISSUES AND DISCUSSION OF THE APPARENT VIOLATION

D. Collins, Director
Division of Fuel Facility Inspection

IV. LICENSEE PRESENTATION

V. BREAK/NRC CAUCUS

VI. NRC FOLLOW UP QUESTIONS

VII. CLOSING REMARKS

W. Travers, Regional Administrator

Enclosure

[REDACTED]