



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

October 13, 2011

Mr. Joseph G. Henry  
President  
Nuclear Fuel Services, Inc.  
P. O. Box 337, MS 123  
Erwin, TN 37650

**SUBJECT: COMPLETION OF CONFIRMATORY ACTION LETTER 2-2010-001  
COMMITMENTS (INSPECTION REPORT NO.70-143/2011-010)**

Dear Mr. Henry:

On January 7, 2010, the Nuclear Regulatory Commission (NRC) issued Confirmatory Action Letter (CAL) 2-2010-001 (ML100070118) in response to your letter dated December 30, 2009 (ML093641023). Your letter contained additional actions (commitments) to ensure that the root causes of the October 13, 2009, process upset had been adequately evaluated and appropriate corrective actions have been implemented for all potentially affected processes before you resumed operations of those processes.

The purpose of this letter is to inform you that NRC completed its review of your actions associated with your commitments as documented in the January 7, 2010 CAL. NRC's review of the actions associated with your commitments was performed via a series of regional initiative inspections conducted since the issuance of the CAL. The following inspection reports documented NRC's review of the 15 "Actions Prior to Restart of Operations" as listed in the CAL:

- Inspection Report 70-143/2010-005, Navy process readiness inspection, issued June 2, 2010 (ML101530164)
- Inspection Report 70-143/2010-006, uranium metal/oxide process readiness inspection, issued July 23, 2010 (ML102070447)
- Inspection Report 70-143/2010-008, uranium-aluminum process readiness inspection, issued August 31, 2010 (ML102430129)
- Inspection Report 70-143/2010-011, ammonium diuranate process readiness inspection, issued December 22, 2010 (ML103560078)
- Inspection Report 70-143/2011-007, uranium hexafluoride process readiness inspection, issued September 14, 2011 (ML112570351)

Our review of these actions indicated that you could safely restart the various process lines at the facility. The following two inspection reports documented NRC's review of the eight "Actions Post-Restart of Operation" as list in the CAL:

- Inspection Report 70-143/2010-012, Closure of Items 3 - 8, issued March 7, 2011 (ML110660449)
- Inspection Report 70-143/2011-008, Closure of Items 1 and 2, issued October 5, 2011 (ML11278A182)

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Based on the above summary of our reviews, the NRC has concluded that NFS has satisfactorily completed all commitments as stated in the January 7, 2010 CAL. This completes NRC's review of this matter.

NRC will continue monitoring NFS' progress with regard to implementing the required actions of the November 16, 2010 Confirmatory Order (EA-10-076) to ensure that the findings from the second Safety Culture Assessment report, provided to the NRC on June 29, 2010, are addressed.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter 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 this letter, please contact me at 404-997-4560.

Sincerely,

*/RA/*

Steven J. Vias, Chief  
Fuel Facility Inspection Branch 1  
Division of Fuel Facility Inspection

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

cc:  
Christ B. Reed  
Director, Operations  
Nuclear Fuel Services, Inc.  
Electronic Mail Distribution

Mark P. Elliott  
Director  
Quality, Safety & Safeguards  
Nuclear Fuel Services, Inc.  
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Debra G. Shults  
Director  
TN Dept. of Environment & Conservation  
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cc: (Cont'd on page 3)

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cc: (Cont'd on page 3)

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ADAMS:  Yes    ACCESSION NUMBER: ML11286A279     SUNSI REVIEW COMPLETE  FORM 665 ATTACHED

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NAME	MCrespo	JPelchat	SSparks			
DATE	10/11/11	10/11/11	10/11/11	10/ /2011	10/ /2011	10/ /2011
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

OFFICIAL RECORD COPY    DOCUMENT NAME: G:\DNMS\I\FB\I\REPORTS\FINAL  
REPORTS\NFS\2011\NFS IR 2011-010 (CAL CLOSURE LTR).DOCX

J. Henry

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(cc: cont'd)  
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Gregg Lynch  
Mayor  
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P.O. Box 169  
Erwin, TN 37650

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Mayor  
Town of Unicoi  
Unicoi, TN 37692

J. Henry

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Letter to Mr. Joseph G. Henry from Steven J. Vias dated October 13, 2011

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