



UNITED STATES
NUCLEAR REGULATORY COMMISSION

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

February 24, 2004

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

SUBJECT: MEETING SUMMARY - CATEGORY 1 MEETING,
NUCLEAR FUEL SERVICES, INC. - DOCKET NO. 70-143

Dear Mr. Schutt:

This letter refers to the public meeting at the Nuclear Fuel Services Training Center in Erwin, Tennessee on February 5, 2004, during which you presented various management initiatives and program changes under development at NFS. The meeting afforded you the opportunity to explain the development of several changes you were implementing which you anticipated would improve performance and regulatory compliance at your facility. The meeting was beneficial and provided the NRC with a better understanding of your facility. Additionally, the meeting offered interested members of the public a chance to learn more about your facility, and ask questions of the NRC staff.

The names of participating attendees at the meeting and a copy of the presentation used by NFS are enclosed.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and the enclosures will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Should you have any questions concerning this letter, please contact us.

Sincerely,

**/RA BY DOUGLAS M. COLLINS
ACTING FOR/**

David A. Ayres, Chief
Fuel Facility Inspection Branch 1
Division of Fuel Facility Inspection

Enclosures: (See Page 2)

- Enclosures: 1. List of Participating Attendees
 2. Meeting Summary
 3. NFS Presentation

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

Debra Shults, Manager
 Technical Services
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DATE	02/19/2004	02/19/2004	02/19/2004	02/ /2004
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO
PUBLIC DOCUMENT				

LIST OF PARTICIPATING ATTENDEES

February 5, 2004

U.S. NUCLEAR REGULATORY COMMISSION

NMSS

G. Janosko
V. Ordaz
R. Pierson
K. Ramsey
A. Rayland
J. Shea
M. Virgilio

RII

D. Ayres
A. Boland
D. Collins
C. Evans
R. Hannah
L. Reyes
D. Rich
O. Smith

OE

L. Trocine

NUCLEAR FUEL SERVICES

D. Buck
R. Droke
D. Farmer
K. Guinn
N. Kenner
M. Moore
N. Newman
K. Schutt
J. Stout
S. White

D. Brown
B. Drane
D. Ferguson
D. Hopson
R. Maurer
J. Nagy
W. Phillips
R. Shackelford
G. Tipton

CONTRACTORS

J. Clark J. R. Clark, Associates
D. Shapiro Shaw-Pittman

MEMBERS OF THE PUBLIC AND AFFILIATION

S. Ault	Impact Plastics
T. Bewley	Self
R. Bliss	KCCE
C. Garland	Johnson City Press
P. Gentry	Greeneville Sun
E. Herndon	Unicoi County
J. Hicks	Erwin Police Department
D. Janz	Erwin Record
B. Lawes	Greeneville Sun
D. Lewis	Unicoi County Sheriff's Department
D. McAvoy	WJHL TV
L. Modica	Sierra Club
J. Tilson	Unicoi County Sheriff's Department
T. Treadway	Creative Energy
T. Wallack	Self
T. Wilson	Elizabethton Star

NFS/NRC PUBLIC MEETING SUMMARY

February 5, 2004

NRC OPENING REMARKS

- NRC (Reyes) opened the meeting and stated the purpose which was a discussion of the performance management program (PMP) and performance improvements at NFS.

NFS PRESENTATION

- NFS (Schutt) described the objectives of the management reorganization, and highlighted safety and regulatory performance.
- NFS (Moore) discussed the PMP, metrics for performance, the self assessment program, and the Safety First program. Also discussed were financial incentives for improved compliance performance.
- NFS (Brown) outlined a planned culture change on site including a Six Sigma program and a Lean Management program.
- NFS (Clark) described the process utilized by the commonalities review board and listed the board's focal points which included: sustainable enhancements; categorizing procedures; integrated project management; a formalized preference for engineered controls; strengthen and formalize regulatory compliance oversight; and formalizing the process for conduct of NFS initiatives.
- NFS (Nagy and Moore), in response to an NRC question, stated procedural compliance was improved and that the NFS compliance metric was being revised.

Closing Remarks

- NRC acknowledged the presentation.