



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

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

[REDACTED]

August 10, 2004

EA-04-113

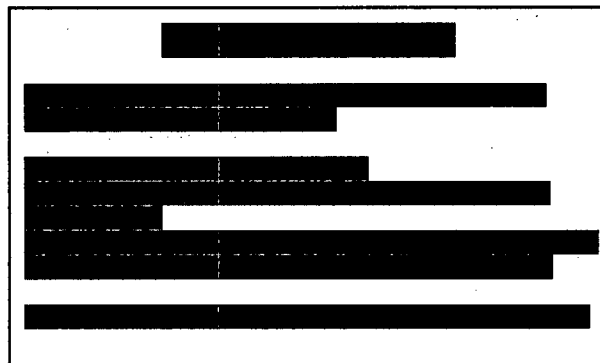
Nuclear Fuel Services, Inc.  
ATTN: Mr. Kerry Schutt  
President  
P. O. Box 337, MS 123  
Erwin, TN 37650

SUBJECT: CONFIRMATION OF CLOSED PRE-DECISIONAL ENFORCEMENT  
CONFERENCE (NRC INSPECTION REPORT NO. 70-143/2004-04,  
NUCLEAR FUEL SERVICES, INC. - DOCKET NO. 70-143

Dear Mr. Schutt:

This letter confirms the pre-decisional enforcement conference scheduled for August 27, 2004, at 10:30 a.m., at the NFS Facility in Erwin, Tennessee. NFS requested this pre-decisional enforcement conference in response to our letter to you dated June 28, 2004. The purpose of this meeting is to discuss the apparent violation associated with information reported by NFS to the NRC on May 14, 2004, regarding the inability of an engineered control to meet specified performance criteria. The issue was documented in Section 2.b of Inspection Report No. 70-143/2004-04. For further details, please refer to our letter to you dated June 28, 2004.

This conference will be closed to public observation due to the sensitive unclassified information that will be discussed which cannot be publicly disclosed. A proposed agenda for the conference is included as an enclosure to this letter.



[REDACTED]

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 an opportunity for you 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 presenting your corrective action, 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.

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

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 [REDACTED]

cc w/encl: (See page 3)

[REDACTED]



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:

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 Enforcement Coordinators  
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 W. Gloersen, RII  
 D. Rich, RII  
 L. Psyk, NMSS  
 J. Olivier, NMSS

**\*FOR PREVIOUS CONCURRENCE - SEE ATTACHED COPY**

OFFICE	RII:DFFI	RII:DFFI	RII:EICS
SIGNATURE			
NAME	*WGloersen.vyg	*DAyres	*CEvans
DATE	5/ /2008	5/ /2008	5/ /2008
E-MAIL COPY?	YES NO	YES NO	YES NO



PROPOSED CLOSED PRE-DECISIONAL ENFORCEMENT CONFERENCE AGENDA

NUCLEAR FUEL SERVICES INC.

ERWIN, TN

August 27, 2004 - 10:30 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