[redacted]

NOTICE OF VIOLATION

Nuclear Fuel Services, Inc.
Erwin, TN

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

During an NRC inspection from November 1 through 5, 2004, a violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," NUREG-1600, the violation is listed below:

Safety Condition No. S-1 of Special Nuclear Material License No. 124 requires that material be used in accordance with the statements, representations, and conditions in the license application dated July 24, 1996, and supplements thereto.

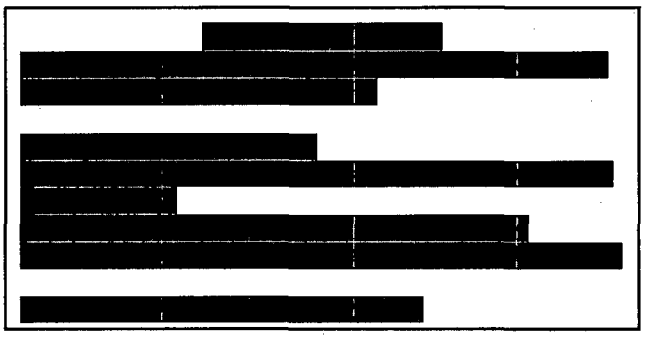
Section 2.7 of the license application requires that SNM operations and safety function activities at the Nuclear Fuel Services facility be conducted in accordance with written and approved procedures.

Steps 7.2.1(5) and 7.2.2(5) of licensee procedure 55T-04-0033, "General Cleaning of [redacted]," Revision 1, dated May 18, 2004, requires the placement of absorbent material into [redacted].

Contrary to the above, on and before November 2, 2004, the licensee failed to comply with the [redacted] material handling requirements of 55T-04-0033. Specifically, the licensee did not store contaminated absorbent material in [redacted].

Step 1.0 of licensee procedure NFS-HS-CL-19-01, "Nuclear Criticality Safety [redacted] Warehouses," Revision 3, dated October 25, 2004, states, in part, "This supplement documents the currently approved Station Limits Cards for the [redacted] Warehouses. The Station Limit Cards are to be posted on or near each location and it must be in accordance with this document."

Contrary to the above, on or before November 2, 2004, the licensee had a criticality safety posting displayed in [redacted] Warehouse which was not at an approved location and was not in accordance with the procedure. Specifically, the licensee had an outdated posting displayed at the [redacted] Warehouse receiving desk.



[redacted]

[redacted]

This is a Severity Level IV violation (Supplement VI)

Pursuant to the provisions of 10 CFR 2.201, Nuclear Fuel Services, Inc., is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555, with copies to the Regional Administrator, Region II, and the Chief, Technical Support Group, Division of Fuel Cycle Safety and Safeguards, NMSS, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include: (1) the reason for the violation, or, if contested, the basis for disputing the violation, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Your response may reference or include previously docketed correspondence if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an Order or Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other actions as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

If you contest this enforcement action, you should also provide a copy of your response to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555-0001.

[redacted]In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days.

Dated at Rockville, Maryland

this 9th day of December 2004

[redacted]