



UNITED STATES
NUCLEAR REGULATORY COMMISSION

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

[REDACTED]

August 22, 2006

EA-06-179
CAL No. 02-06-003
NRC Event Nos. 42393, 42411

Mr. Dwight B. Ferguson, Jr.
President, Chief Executive Officer
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. 70-143/2006-006),
NUCLEAR FUEL SERVICES, INC. - DOCKET NO. 70-143

Dear Mr. Ferguson:

This letter confirms the conversation of August 17, 2006, between Marie Moore of your staff and William Gloersen of this office concerning the pre-decisional enforcement conference that has been scheduled for September 5, 2006, at 9:00 a.m. (EDT) in the Region II Office, located at the Sam Nunn Atlanta Federal Center, 61 Forsyth Street SW, Suite 23T85, Atlanta, GA 30303. A meeting notice is enclosed. The purpose of the pre-decisional enforcement conference is to discuss the apparent violations associated with the inadvertent transfer of approximately [REDACTED] of high enriched uranyl nitrate solution to a filter enclosure not approved for operation in the blended low enriched uranium (BLEU) preparation facility (BPF) which subsequently spilled onto the [REDACTED] floor on March 6, 2006. The apparent violations were discussed in Inspection Report No. 70-143/2006-006. For further details, please refer to our letters to you dated June 9 and August 4, 2006.

We note that you formally requested that the issues related to this event be resolved under the NRC's Alternative Dispute Resolution (ADR) pilot program rather than our normal enforcement process. If we proceed with a conference using the ADR process, representatives of my staff will contact you to reach a mutually acceptable date and time for the conference. Otherwise, the pre-decisional enforcement conference as noted above 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.

[REDACTED]

[REDACTED]

[REDACTED]

D. B. Ferguson, Jr.

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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: Meeting Notice

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

L. Edward Nanney, Director
Division of Radiological Health
Tennessee Dept. of Environment & Conservation
L&C Annex, Third Floor
401 Church Street
Nashville, TN 37243-1532

Distribution w/encl (E-mail): (See page 3)



Distribution w/encl (Email):

NRC Attendees

K. Clark, Public Affairs Officer, RII
Region II Administrator's Secretary
RII DFFI Division Secretary

D. Ayres, RII

D. Collins, RII

W. Gloersen, RII

S. Burris, RII

G. Smith, RII

W. Travers, RII

C. Evans, RII

M. Burrell, OE

G. Morell, OE

R. Pierson, NMSS

G. Janosko, NMSS

M. Galloway, NMSS

K. Ramsey, NMSS

M. Lamastra, NMSS

D. Morey, NMSS

OEMAIL

OEWEB

ADAMS: Yes ACCESSION NUMBER: _____

OFFICE	RII:DFFI	RII:DFFI	RII:DFFI	RII:EICS			
SIGNATURE	/RA/	/RA/		/RA/			
NAME	WGloersen	DAyres		CEvans			
DATE	08/22/2006	08/22/2006	08/ /	08/22/2006	May 17, 2008	May 17, 2008	May 17, 2008
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

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