



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
61 FORSYTH STREET, SW, SUITE 23T85
ATLANTA, GEORGIA 30303-8931

February 2, 2009

EA-08-342

Mr. David Kudsin
President
Nuclear Fuel Services, Inc.
P.O. Box 337, MS 123
Erwin, TN 37650

**SUBJECT: CONFIRMATION OF OPEN PRE-DECISIONAL ENFORCEMENT
CONFERENCE (NRC INSPECTION REPORT NO. 70-143/2008-003),
NUCLEAR FUEL SERVICES, INC. – DOCKET NO. 70-143**

Dear Mr. Kudsin:

This letter confirms the conversation between Marie Moore of your staff and Manuel Crespo of this office on January 30, 2009, concerning a pre-decisional enforcement conference. This meeting is being conducted at our request, and is scheduled for February 13, 2009, at 1:00 p.m. (EDT). The purpose of the meeting is to discuss the apparent violations associated with the item relied on for safety identified for the 310 Warehouse, as discussed in our previous letter dated January 12, 2009 (ML090120305).

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 you an opportunity 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 particular, the NRC staff is interested in your assessment of the safety significance of the issues, the potential for a high consequence event, and any generic implications to the rest of the site. In presenting your corrective actions, 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 and is available on the NRC's Web site.

Because the NRC has not made a final determination in this matter, no Notice of Violation is enclosed for these issues at this time. In addition, please be advised that the number and characterization of the apparent violations described above 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 violations is required at this time.

The location of the conference will be at the NRC Region II Office, Sam Nunn Atlanta Federal Center, 61 Forsyth Street, S.W., Suite 23T85, Atlanta, Georgia, 30303. This will be a Category 1 meeting in which the public is invited to observe and will have the opportunity to communicate with the NRC staff after the business portion, but before the meeting is adjourned, per the NRC policy statement "Enhancing Public Participation in NRC Meetings," published in the Federal Register: May 28, 2002 (Volume 67, Number 102, Pages 36920-36924). A meeting notice and meeting agenda are enclosed.

Interested members of the public should contact the meeting coordinators Mr. Manuel Crespo at (404) 562-4733, or Mr. Charles Payne at (404) 562-4711, indicating their intention to attend by February 11, 2009. This will ensure that sufficient copies of meeting materials are available. Because meetings are sometimes cancelled as a result of unforeseen circumstances, members of the public should contact a coordinator at the number shown above to confirm that these meetings will occur as scheduled.

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

Should you have any questions concerning the meeting, please contact me at (404) 562-4700.

Sincerely,

/RA/ C. Payne for

Joseph W. Shea, Director
Division of Fuel Facility Inspection

Docket No. 70-143
License No. SNM-42

Enclosures: 1. Meeting Notice
2. Agenda

(cc w/encls: Cont'd on page 3)

D. Kudsin

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(cc w/encls: cont'd)
Timothy Lindstrom
Vice President
Nuclear Fuel Services, Inc.
Electronic Mail Distribution

B. Marie Moore
Director
Safety and Regulatory Management
Nuclear Fuel Services, Inc.
Electronic Mail Distribution

Lawrence E. Nanney
Director
TN Dept. of Environment & Conservation
Electronic Mail Distribution

Distribution w/encls:

Meeting Announcement Coordinator, OADM/DFIPS (PMNS)

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R. Hannah, Public Affairs Officer, RII

Region II Administrator's Secretary

Region II Division Directors and Deputies

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L. Reyes, RII

C. Evans, Regional Counsel/Enforcement Officer

V. McCree, RII

C. Payne, RII

M. Crespo, RII

D. Dorman, NMSS

P. Habighorst, NMSS

K. Ramsey, NMSS

PUBLICLY AVAILABLE NON-PUBLICLY AVAILABLE SENSITIVE NON-SENSITIVE

ADAMS: Yes ACCESSION NUMBER: _____

OFFICE	RII: DFFI	RII: DFFI				
SIGNATURE	/RA/	CP 2/2/09				
NAME	MCrespo	CPayne				
DATE	2/2/09/	2/ /2009	2/ /2009	2/ /2009	2/ /2009	2/ /2009
E-MAIL COPY?	YES NO	YES	YES NO	YES NO	YES NO	YES NO

OFFICIAL RECORD COPY DOCUMENT NAME: G:\ENFORCE\NFS\2008\310 WAREHOUSE ISSUE\PEC EVENT MEETING NOTICE.DOC

SUBJECT: OPEN MEETING NOTICE

FACILITY: NUCLEAR FUEL SERVICES, INC.

DATE & TIME: Friday, February 13, 2009
1:00 p.m. to 4:00 p.m.

LOCATION: Region II Office
Sam Nunn Atlanta Federal Center
61 Forsyth Street, S.W.
Suite 23T85
Atlanta, GA 30303

PURPOSE: The purpose of the pre-decisional Enforcement Conference is to discuss the apparent violations associated with the item relied on for safety identified for the 310 Warehouse.

NRC OFFICES PARTICIPATING: NMSS, REGION II

OTHER PARTICIPATING ORGANIZATION(S): NUCLEAR FUEL SERVICES, INC.

MEETING CONTACT: Manuel Crespo, NRC, RII; (404) 562-4733;
manuel.crespo@nrc.gov

PROPOSED OPEN PRE-DECISIONAL ENFORCEMENT CONFERENCE AGENDA

NRC REGION II OFFICE

ATLANTA, GEORGIA

February 13, 2009 - 1:00 P.M.

I. OPENING REMARKS AND INTRODUCTIONS

V. McCree, Deputy Regional Administrator

II. NRC ENFORCEMENT POLICY

C. Evans, Enforcement Officer and Regional Counsel

III. SUMMARY OF THE ISSUES AND DISCUSSION OF THE APPARENT VIOLATION

J. Shea, Director
Division of Fuel Facility Inspection

IV. LICENSEE PRESENTATION

V. BREAK/NRC CAUCUS

VI. NRC FOLLOW UP QUESTIONS

VII. CLOSING REMARKS

V. McCree, Deputy Regional Administrator