



NUCLEAR FUEL SERVICES, INC.

a subsidiary of The Babcock & Wilcox Company

■ 1205 banner hill road ■ erwin, tn 37650 ■ phone 423.743.9141
■ www.nuclearfuelservices.com

21G-10-0085
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ACF-10-0116

April 26, 2010

Mr. Luis A. Reyes, Regional Administrator
U.S. Nuclear Regulatory Commission, Region II
245 Peachtree Avenue NE, Suite 1200
Atlanta, GA 30303-1257

References: 1) Docket No. 70-143; SNM-124
2) Confirmatory Action Letter (CAL No. 2-2010-001), dated January 7, 2010, Mr. Luis A Reyes (NRC) to Mr. David L. Kudsin (NFS)
3) Letter (21G-10-0061), dated March 11, 2010, Mr. David Amerine (NFS) to Mr. Luis Reyes (NRC)

Subject: NFS Approach to Resumption of BPF Operations

Dear Sir:

In accordance with Reference 2, and per the clarifications made in Reference 3 describing our conservative, measured approach to restart one line of production at a time, Nuclear Fuel Services, Inc. (NFS) has confirmed its readiness to restart the Blended Low Enriched Uranium Preparation Facility (BPF) for uranium metal and oxide feed materials. NFS respectfully requests NRC commence their review of our readiness to restart the BPF U-Metal/Oxide and associated support systems.

NFS' confidence in its readiness to restart the BPF is based on a period of deliberate actions and evaluations. The success of the restart of the Naval Production Product Line (NPPL) has provided a substantial basis and demonstration that the requested additional restart is appropriate.

After receiving NRC authorization on March 23, 2010, to resume NPPL operations, NFS initiated a "pause" to reflect on the changes made and the expected behaviors during the impending restart. Using our improved approach to conduct of operations, the NPPL was then restarted on March 25, 2010, one process area at a time. Subsequent operations were monitored and assessed by Senior Engineering Watch personnel, as well as by senior management observers and executive management. In addition, a "Way Point Evaluation" was conducted to assess the performance of the NPPL operations. The results demonstrated the necessary improvement in the areas of management oversight, communications, questioning attitude, and safety over production and that continued operation was warranted. These results also indicated that we were ready to restart the first BPF line.

The reasons that lead to the determination BPF is ready for restart are as follows: 1) The majority of the management support team is common between the two facilities, therefore, it is reasonable to conclude improvements demonstrated in the NPPL have been extended to the BPF; 2) BPF facility management has been involved in the oversight of the restart of the NPPL, and 3) BPF personnel have experienced the opportunity to participate in the positive changes associated with the NPPL's performance.

Therefore, taking all of the above mentioned items into consideration, I have concluded that the BPF U-Metal/Oxide and associated support systems are ready for restart.

If you or your staff have any questions, require additional information, or wish to discuss this further, please contact me at (423) 743-1702, or Mr. Mark Elliott, Director of Safety and Security, at (423) 743-1705. Please reference our unique document identification number (21G-10-0085) in any correspondence concerning this letter.

Sincerely,
NUCLEAR FUEL SERVICES, INC.



David B. Amerine
President

JKW/smd

Copy:

Mr. Joseph Shea, Director
Division of Fuel Facility Inspection
U.S. Nuclear Regulatory Commission, Region II
245 Peachtree Avenue NE, Suite 1200
Atlanta, GA 30303-1257

Mr. Eugene Cobey, Deputy Director
Division of Fuel Facility Inspection
U.S. Nuclear Regulatory Commission, Region II
245 Peachtree Avenue NE, Suite 1200
Atlanta, GA 30303-1257

Mr. Steven Vias, Branch Chief
Division of Fuel Facility Inspection
U.S. Nuclear Regulatory Commission, Region II
245 Peachtree Avenue NE, Suite 1200
Atlanta, GA 30303-1257

Mr. Michael Ernstes, Branch Chief
Division of Reactor Safety
U.S. Nuclear Regulatory Commission, Region II
245 Peachtree Avenue NE, Suite 1200
Atlanta, GA 30303-1257

Mr. Kevin Ramsey
Fuel Manufacturing Branch
Fuel Facility Licensing Directorate
Division of Fuel Cycle Safety and Safeguards
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Mr. Manuel Crespo
Project Inspector
U.S. Nuclear Regulatory Commission, Region II
245 Peachtree Avenue NE, Suite 1200
Atlanta, GA 30303-1257

Mr. Galen Smith
Senior Resident Inspector
U.S. Nuclear Regulatory Commission