

Enclosure 2
NRC Presentation at 2010 AARM Commission
Briefing
Meeting Summary of the 5/27/2010 Meeting with
NRC/NFS/VHA
Dated June 16, 2010



**NEW PATH FORWARD
FOR
NUCLEAR FUEL SERVICES**

May 27, 2010

**David B. Amerine, President
Nuclear Fuel Services, Inc.**

APPROACH TO RESTART

- Slow, Sequential Startup
 - Fuel Manufacturing Facility (FMF), then Blended Low Enriched Uranium Prep Facility (BPF) areas
 - Within each facility, one area at a time
 - Not production driven
- Restart Oversight and Additional Support
 - Senior Engineering Watch
 - Management on shift oversight
 - Engineering and Safety support
- Integrated, Resource-Loaded Schedule

What's Different?

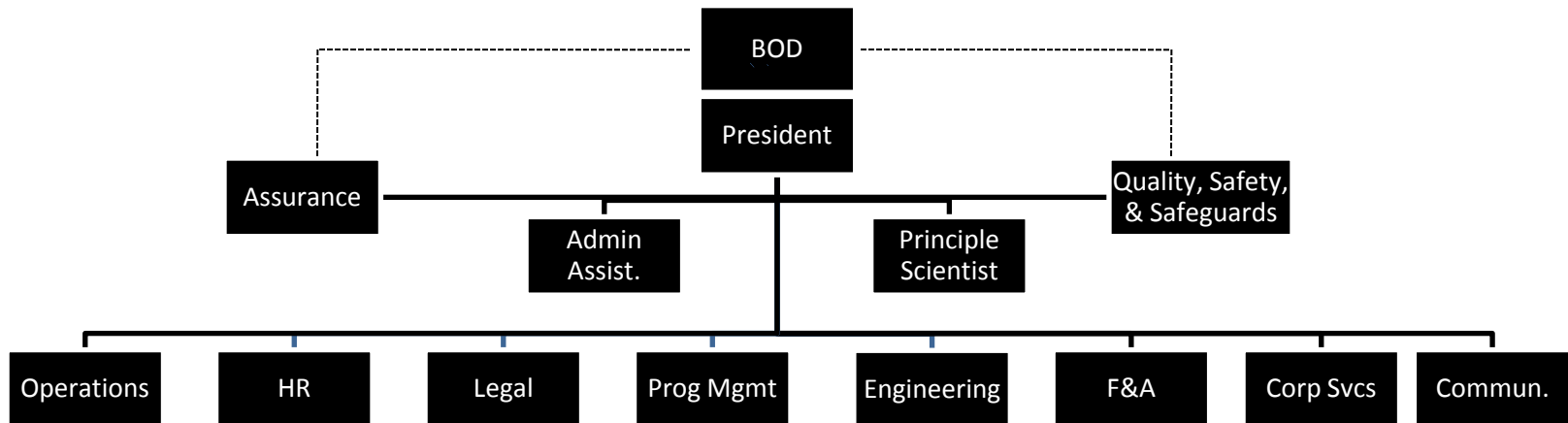
- Workplace priorities: Safety, Quality, Schedule, Cost
- Safety conscious work environment
- Conduct of business attributes
- Schedule ownership and accountability
- First-line manager empowerment
- Work control focus
- Participative management / Employee inclusion
- Metrics using INPO format and color rollup
- Continuous improvement is our imperative

THE LONG VIEW MUST TRUMP ALL

Organizational Structure

Nuclear Fuel Services, Inc.

a subsidiary of the Babcock & Wilcox Company



PERFORMANCE

- Metrics/surveys show positive trend
- Upper management presence in field
- Commitments kept on track by use of metrics and assessments
- Corrective action program robust and improving
- NRC-observed force-on-force triennial exercise huge success
- FMF operation indicates intellectual acceptance of new paradigms are being reflected in actual operation
- Lessons learned from FMF being folded into Blended Low Enriched Uranium Preparation Facility (BPF) startup

**LEARNING ORGANIZATION FOCUSED
ON CONTINUOUS IMPROVEMENT**