

NOTICE OF VIOLATION

Nuclear Fuel Services, Inc.
Erwin, TN

Docket No. 70-143
License No. SNM-42
EA-10-076

During an NRC investigation completed on February 26, 2010, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

10 CFR 70.9(a) requires, in part, that information provided to the Commission by a licensee shall be complete and accurate in all material respects.

Contrary to the above, on two occasions, the licensee provided information to the NRC that was not complete and accurate in all material respects. Specifically,

- a. On November 25, 2008, NFS submitted a Reply to a Notice of Violation to the NRC that was not complete and accurate in all material respects. NFS's reply stated that all fire dampers in procedure NFS-GH-22 were inspected in September of 2008, and passed the inspection, when in fact, 12 of the fire dampers had not been inspected. NFS's submittal of inaccurate information was due, in part, to the actions of a former NFS employee tasked with drafting the written reply to the Notice of Violation. The inaccurate information was material to the NRC because it was used by the NRC to confirm that the required fire damper inspections had been completed.
- b. During an NRC inspection in August 2009, the NRC attempted to verify the corrective actions as documented in NFS's November 25, 2008 Reply to Notice of Violation. In support of the inspection, the former NFS employee created and provided a document to the NRC inspector that indicated that all but one of the fire dampers had been fully inspected during 2008, when in fact, more than one of the dampers had not been fully inspected. This information was material to the NRC because it was used during the inspection to confirm that the required fire damper inspections had been completed.

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, DC 20555-0001 with a copy to the Regional Administrator, Region II, and a copy to the NRC Resident Inspector at the facility that is the subject of this Notice, 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; EA-10-076" and should include for each violation: (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, and (4) the date when full compliance will be achieved. Your response may reference or include previous 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 a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action 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, with the basis for your denial, to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

Because your response will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

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

Dated this 16th day of November 2010