

McCallie, Karen

From: Hickey, James
Sent: Monday, April 28, 2014 8:13 AM
To: McCallie, Karen
Subject: FW: Barbara O'Neal E-Mail and Attached Questions
Attachments: Email to NRC Senior Resident Inspector.docx

Karen,
Please add this email and attachment to ADAMS.

Thank you,
Jim

-----Original Message-----

From: Stancil, Charles
Sent: Monday, April 28, 2014 7:17 AM
To: Hickey, James; Hartland, David
Subject: Barbara O'Neal E-Mail and Attached Questions

As requested.

-----Original Message-----

From: Barbara A Oneal [<mailto:barbaraoneal@embarqmail.com>]
Sent: Friday, January 31, 2014 12:25 AM
To: Stancil, Charles
Subject: Follow-up Email

Charlie: Per our discussion on the phone the day after the January 16, 2014 meeting with Commissioner Ostendorf, attached is the email I promised.

Barbara O'Neal
f/Erwin Citizens Awareness Network, Inc.
P. O. Box 1151
Erwin, TN 37650

References:

(1) Meeting between Linda Modica and Barbara O'Neal, Sierra Club and Erwin Citizens Awareness Network, Inc., and NRC Commissioner Ostendorf, Tammy Bloomer, Leonard Wert and Charles Stancil, January 16, 2014, 1115-1215 hrs, Unicoi County Courthouse Conference Room.

(2) NRC Licensee, Nuclear Fuel Services, Inc. (NFS), **Docket #07000143**

Purpose of this Document:

The purpose of this email attachment is to clarify some of the limited discussion regarding inspection reports of NRC Licensee, Nuclear Fuel Services, Inc., Erwin, TN. Since Commissioner Ostendorf was only interested in "the present", this document contains comments, questions, and request for information during period 2012 and 2013. Below are just a few examples; we could cite examples for a decade. Request for older documents and the need for an Environmental Impact Statement will be made in writing to NRC HQ.

Note: Certain words within a quote and otherwise are bolded for emphasis.

Inspection Reports

April 2013

An NRC Public Meeting was held in Erwin, TN on April 29, 2013. On April 30, Integrated Inspection Report 70-143/2013-002 (ML131204A65), dated April 30, 2013, covering period January 1, 2013 to March 31, 2013; discussed with the licensee on April 15, was entered into the NRC Database (ADAMS) on April 30, 2013 (one day **after** the public meeting). The Inspection Report contained information about a year-old Violation 2012-002-02, Inadequate Measures Associated with Column Supports, which was finally closed by the NRC after being open an entire year.

Comment: This is not the first time inspection reports have been released the day **after** a public meeting. In this particular case, it is obvious to us that this was done by the NRC to avoid discussion (in the April 29 public meeting) of the violation that had not been corrected for an entire year.

July 2013

NRC Inspection Report 70-143/2013-203, dated July 12, 2013 (ML13190A150), Michael X. Franovich, Chief, Programmatic Oversight and Regional Support Branch. Announced Nuclear Criticality Inspection June 10-13, 2013.

URI 70-143/2013-203-1 – Lack of a detailed justification for why changes do not require a license amendment. NFS "does not appear to conform to 10 CFR 70.72(f) which requires a written evaluation that provides the bases for the determination that the changes do not required prior Commission approval..." "The licensee checklist with comments does not appear to ensure that this is **always** provided."

Comment: Serial noncompliance by licensee, which is and has been tolerated by NRC for decades.

IFI 70-143/2012-204-01 – Tracks completion of investigation and corrective actions associated with, and examination of, NDA methods suitable for wet uranium accumulations in process ventilation.

"Inspectors toured the BLEU complex which has been shut down. When the facility was operating it converted Uranyl Nitrate to UO₂ powder for use in **commercial** power reactor fuel. The Uranyl Nitrate was received from downblending at the BPF and other sources. After the process was shut down the

licensee conducted a **partial clean out** of the BLEU complex. Solution was drained and vacuumed out; powder was blown and knocked out of powder handling equipment, however, no equipment was disassembled. Based on previous experience the licensee expects to be able to retrieve more material from equipment that can be easily disassembled.

The cognizant licensee NCS engineer stated that hold up accumulations ranged from less than the minimum detectable amount to a couple hundred grams dry powder which **does not normally** pose a NCS concern in isolation. However, **BLEU management did not express confidence in the hold-up measurements due to self-shielding, complex and unknown configurations, and lack of standards to validate the measurements.** The licensee intends to obtain a better assessment of the hold-up remaining in the process prior to terminating the NCS controls or criticality accident alarm system coverage. Because the amount and the configuration of the SNM held-up in the process is not known, the criticality alarm system and NCS IROFS continue to be in effect in the process areas.

The licensee informed the inspectors that **they were in the process of procuring** NDA equipment capable of evaluating wet uranium in process ventilation but no action had been taken yet. The inspectors discussed the licensee's corrective actions with NDA and radiation protection personnel. They discussed the methods and equipment **intended** to be used to NDA wet uranium accumulations. Because the equipment hasn't been procured and the procedures for use haven't been completed this item remains open.

Comments/Questions: And, how long has BLEU been shut down? And didn't NFS recently spend \$33 million on a facility expansion – the largest in history? Licensee always "intends."

IFI 70-143/2013-201-01 - This item tracks completion of corrective actions identified as "**long-term**" in the Problem Identification, Resolution, and Correction System that involve **programmatic noncompliance**. The specific non-compliances (PIRCS # 798, PIRCS #37682, CA #797, and CA #19187) noted in the last inspection have not yet been resolved.

Comments: The July 12, 2013 Nuclear Criticality Safety inspection report was **the first report we have seen in 10 years** (and we have copies of them all) that contained **any** NCS findings or issues– and they were considered "**long-term.**" It appears that in the past, and for a very long time, someone at NRC HQ was doing an inadequate job of NCS Inspections of this licensee.

July 2013

NRC Integrated Inspection Report 70-143/2013-003 and Notice of Violation, July 30, 2013 (ML13211A297).

Violation 70-143/2013-003-01 – Failure to comply with NFPA 101 required 1.5 hours emergency lighting system test in accordance with licensee commitments in the License Application.

Section 7.4.3.2.2 of NUREG-1520, Rev 1, states that a licensee can apply equivalencies and document them for inspection, but the licensee cannot approve deviations or exceptions from the code unless they provide the basis for exceptions in the license application.

"This violation is more than minor because, if left uncorrected, the lack of adequate testing may not allow the detection and correction of degraded lights and potentially impact safe building evacuation. Although more than minor, this violation is considered to be of low safety significance (Severity Level IV) due to additional fire protection measures in place in case of an emergency and redundancy in emergency lights."

January 30, 2014 – Page 3

Email Attachment to NRC Senior Resident Inspector, Charles Stancil

This issue does not meet the enforcement policy criteria for a Non Cited Violation (NCV) because although the licensee previously identified the problem as documented in corrective action C11556 and PIRC 40492, **they failed to take adequate action that would have prevented the violation.**

Comment – This does not pass the common sense test, although we've read many violations that were stated exactly the same. In one sentence, you (NRC) state that "it's more than minor" and in the next sentence, you say it's considered to be of "low safety significance." Yet, it involves "safe" building evacuation?

Since July, the licensee has argued with the NRC about the violation, and finally on December 12, 2013, requested an extension of time to resolve the issue. NRC complied with a due date of January 31, 2014.

November 2013

NRC Inspection Report 70-143/2013-205, November 14, 2013 (ML13310A622).

IFI 70-143/2012-204-01 – (Discussed) - Tracks completion of investigations and corrective actions associated with, and examination of, NDA methods suitable for wet uranium accumulations in process ventilation.

Comment – This was identified in July 2013.

IFI 70-143/2013-201-01 – (Closed) - This item tracks completion of corrective actions identified as "long-term" in the Problem Identification, Resolution, and Corrective System that involve programmatic non-compliances. The **long term corrective actions** have been screened to identify those involving **programmatic non-compliances**. Those identified were then **either closed or reassigned a more appropriate due date**. This item is **closed**.

Comment – Regarding IFI 70-143/2013-201-01. In the Supplementary Information section of the inspection report on the page designated as "Attachment" it appears that this IFI has been "closed." However, under 7.0 Open Items, page 8, one reads that "Those identified were then either closed or **reassigned a more appropriate due date**." (From the NRC perspective, this issue is closed, when in reality, long term corrective actions and non-compliances were simply reassigned a more appropriate due date).

Bottomline: NFS is and has always been allowed, by the NRC, to kick the can down the road for as long as they wish and at some point, all the violations and non-compliances will be forgotten or reassigned a more appropriate due date – whatever is more convenient for the licensee.

Other

Event Reports – We see reference to Event Reports in the Inspection Reports, but cannot always find them in the Event Reports section on the NRC website, or on the dedicated NFS page on the NRC website. Question: Why is there a five-day lag-time between when the NFS event happens and when it appears on the Event Report, if it appears at all? Request a list of NFS Event Reports for 2012 and 2013.

Safety Assessment for 2012 – We see reference to the 2012 Safety Assessment in the 2013 Safety Assessment, but it does not appear on ADAMS, or on the dedicated NFS page on the NRC website. Request a copy of the 2012 report be posted to ADAMS. Question: What happened to the Safety Culture Board of Advisors (SCUBA) who conducted the extensive safety assessments in 2007/2008 and 2009/2010?