



**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-14-0081  
GOV-01-55-04  
ACF-14-0108

June 18, 2014

Mr. Victor McCree  
Regional Administrator  
U.S. Nuclear Regulatory Commission  
Region II  
245 Peachtree Center Ave., NE, Suite 1200  
Atlanta, GA 30303-1257

References: 1) Docket No. 70-143; SNM License 124  
2) NRC Confirmatory Order, dated November 16, 2010 (EA-10-076)

**Subject: Information to Fulfill Confirmatory Order, Section V, Paragraph 5.f**

Dear Sir:

Nuclear Fuel Services, Inc. (NFS) is pleased to advise the Commission that the improvements made to the overall safety culture at our facility have been significant; and, while recognizing that maintaining a healthy safety culture requires continual commitment, we believe that the programs established and the improvements made in the safety culture at NFS are sufficient and sustainable to meet the requirements of the referenced NRC 2010 Confirmatory Order.

As the Commission is aware, following the findings of the 2009/2010 safety culture assessment, NFS developed and implemented a safety culture improvement plan. Following completion of the actions from this plan and issuance of the 2013 safety culture assessment, the current safety culture improvement plan was developed and implemented. At this point the work on our safety culture has become a core part of the way NFS does business and has been institutionalized over the last several years. The improvements are evident across all of our operations and activities. This letter describes many of the major actions taken to establish the healthy safety culture that now exists at NFS. It also addresses those activities, tools, and measures that continue to provide us assurance regarding the state of the NFS safety culture.<sup>1</sup>

This letter also provides the basis for our stating that the improvements are "sustainable." NFS is committed to maintaining a positive safety culture and demonstrating that commitment in its decisions and behaviors. While we recognize that the Confirmatory

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<sup>1</sup> An attachment to this letter is also being provided that describes the current status of each specific commitment made by NFS in the Order, to aid the NRC during future inspections.

Order was important in committing the necessary focus to addressing issues at NFS, it is our firm belief that the Order has served its purpose. NFS is prepared to take proactive ownership of the actions that will further institutionalize and sustain the healthy safety culture that we have developed and continue to nurture. Thus, this letter also provides a description of the basis for NFS' request that NRC close the Confirmatory Order.

### **Introduction and Background**

In response to the problems implicit in the Confirmatory Order, NFS has developed a marked change in the way we do business. This change includes not only the way machinery is operated or products are developed, but also the way in which situations are examined, the way problems are considered, the way workers communicate and collaborate, and the way of making decisions. The third party Independent Safety Culture Assessment (ISCA) consultant noted that the 2013 assessment results were "Acceptable" overall. This is a marked improvement from the 2009/2010 assessment that noted the organizational safety culture to be "generally deficient." Although the assessment methods were not identical, it is clear improvement has been made and that greater than 80% of NFS employees believe safety culture has improved in the past two years. Evidence that performance has been improved and is being sustained at a higher level is demonstrated by increased use and leveraging of our Corrective Action Program, our multiple avenues available for employees to raise concerns, and NFS' improved overall safety performance.

This sustained improving trend correlates with the declining trend in NRC cited and non-cited violations in CY2012-CY2014, with no escalated enforcement issues since 2012. Furthermore, the NRC Licensee Performance Review results showed "No Areas Needing Improvement" for CY2011 and CY2012, and only one area (Material Control and Accountability) needing improvement in the CY2013 Program Adjustment Review. NFS believes this data provides another indicator that the safety culture improvements are being embraced by the work force.

The shutdown of our operations in December 2009 was the beginning of a journey at NFS that continues today. The 2009/2010 ISCA and the events that resulted in the operations shutdown made it clear to NFS management that the efforts prior to that assessment, while valuable, were insufficient. Recognizing this, a restructured management team formulated a new approach to create a step change in NFS' performance and to recapture the confidence of its stakeholders. That new approach included several components: organizational changes, process changes, culture change initiatives, and new metrics. Additionally, as new leaders are selected for NFS positions, more consideration is given to experience with safety-focused operational decision making and implementation of safety culture improvement programs.

## **Organizational and Plant Process Changes**

The NFS safety culture improvement and sustainment efforts rest on a foundation of improved organizational structure and processes. The structural changes provided increased checks and balances through direct access to the Board of Directors (BOD) by the Assurance Director. In addition, to ensure appropriate independence and authority of the Engineering Department and the Safety & Safeguards Department, both departments were moved from reporting to the then Vice-President of Operations to reporting directly to the President. Additionally these moves resulted in the direct reports to the Safety & Safeguards Department Director being reduced by 50%, thus improving the effectiveness of this critical role. A Program Management Department was established to oversee contract cost and schedule performance. Prior to the creation of this department, this function was performed within the operations group. Separating these responsibilities allowed Operations to focus solely on managing safe operations. Additionally, an independent Nuclear Safety Review Board (NSRB) was established to provide the on-going need for high-level external expert oversight. NSRB members have diverse backgrounds and perspectives on nuclear safety; and, they meet with company leaders and individual contributors in their work environment to develop an understanding of the status of the organization's safety culture. The NSRB reports directly to the BOD and is charged with advising NFS Senior Management and the BOD on opportunities and methods to improve the strength of NFS' safety culture and programs that affect safe operations, and advocate for issues requiring attention and action of the BOD. The NSRB visits NFS on a regular basis to meet with leaders and individual contributors in their work environment, conduct reviews of the safety culture, and work with the NFS leadership team.

As a result of the events related to the operations shutdown, processes have been put in place or improved to aid in conservative decision making. Within current conduct of operations procedures, a decision-making tool is used to determine if equipment/process shutdown is required following an event and when equipment/processes can be restored to service following a shutdown caused by an event. As part of operational readiness, a procedure is in place for performing a technical review prior to inputting new material and for releasing these materials to process. This process ensures the technical review focuses foremost on the safety of processing new input materials. Another process uses a Joint Test Group to enhance conservative decision making and provide a formal framework to verify installation of new and modified systems, to provide and record acceptance of testing of plant components and systems, and to establish a review and approval process for test plans. The Joint Test Group is comprised of a team of key NFS stakeholders from NFS safety, technical, and management groups.

When NFS began developing the roadmap to improve its safety culture, it had employee input as well as the 2009/2010 third-party recommendations for specific areas of improvement and a reorganized, recommitted management team. As noted above, NFS began with Conduct of Operations improvements that were developed during the operations shutdown. Foundational concepts were also established that include priorities

and expectations that had not previously been formally articulated to the workforce. We described this phase of our safety culture improvement journey as “Charting a New Course” and disseminated the foundational concepts to employees in various formats and publications.

We knew we needed to codify our priorities for employees in a straightforward, simple manner. To that end, we created our Workplace Priorities: Safety, Quality, Schedule, and Cost – always in that order. We developed “Employee Expectations” and “Manager Expectations,” listing expected behaviors such as “Treat others with Respect,” or for managers, “Explain WHY.” These concepts serve as a positive framework for improvements that embody key elements of a healthy safety culture, such as the high priority given to safety over other goals.

We identified core Conduct of Business Attributes to be demonstrated by employees: Personal Accountability, Procedure Compliance, Technical Inquisitiveness, and Willingness to Stop. We look for opportunities to recognize employee suggestions, successes and demonstration of these attributes. We continually reemphasize questioning attitude and a willingness to stop work at all levels of the organization.

As part of the creation of a Program Management Department, Plan of the Day or Plan of the Week (POD/POW) meetings began in 2010. These meetings have become vital in assuring personal accountability for actions, presenting daily operation processing status, status of safety culture improvement initiatives, and addressing possible conflicts in priorities and workload issues. These meetings are attended by applicable representatives from the leadership team, including representatives from Safety & Safeguards, Operations, Engineering, Assurance, Program Management, and others as necessary.

In response to the Order, NFS added an overall description of its Corrective Action Program (CAP) to the license (SNM-124), and the NRC approved the license modification on January 8, 2012, in Amendment No. 1. NFS has taken further actions to enhance and strengthen the CAP. Procedural guidance was developed for Extent of Condition, Extent of Cause, and Safety Culture Implications reviews and these are now required elements for a full team root cause analysis. Root cause analysis grading better defines expectations of analysis content and provides helpful feedback to analysis teams. A trending program, with trending reports reviewed routinely by the Corrective Action Review Board (CARB), is in use; and, Departmental Performance Improvement Coordinators (DPICs) are established for key departments, including Safety, Security, and MC&A.

Work Control was listed as a high priority topical area in the 2009/2010 ISCA. As was recommended, NFS implemented a comprehensive Work Management Program to provide an integrated, organization-wide process for identifying, prioritizing, planning, scheduling, coordinating and executing work. Instructions provided for executing work have improved through utilization of Formal Work Packages (FWP). This program assures work is reviewed for accuracy prior to and during work execution. Hold Points and Quality Checks were not familiar terms for NFS personnel in 2010. Hold Points and Quality

Checks are now established in FWP's at steps in the work process that, due to safety, quality, technical or work process importance, may need more oversight to assure safe, compliant and accurate work. Planning meetings are formalized and held at prescribed times rather than being ad-hoc sessions, as was the case in 2009/2010.

Improvements have also been seen through establishment of processes for part kitting, permit gathering and pre-job walk downs. A contractor pre-qualification process and improved guidance on safety requirements for contractors was put in place and has been in use for several years. The oversight and control of contractor activities was increased by assigning construction activities to the Engineering department and by providing staffing. Industrial Safety resources provide increased oversight and consistent reinforcement of safety requirements for maintenance, project and contractor activities. For continuous improvement purposes, NFS reviews metrics on the work processes and continues to benchmark, evaluate, and improve the Work Management Program. NFS leverages its relationship with INPO as part of this improvement effort. The implementation of the Work Management Program has put in place the processes and behaviors to sustain the rigor, formality, and management oversight of NFS work.

### **Safety Culture Change Initiatives**

New procedures and processes require a more stringent level of oversight and emphasis of "safety culture" behaviors, especially that of a questioning attitude. This began what was a cultural shift to focus on an environment where questioning attitudes, challenges and a willingness to stop are encouraged and receive an open, objective, and respectful response. This cultural shift is seen in the noted difference between the 2009/2010 ISCA that identified Questioning Attitude and Organizational/Personal Accountability as two high priority topical areas, and the 2013 ISCA which noted that NFS' safety culture shows its greatest strength with regard to the Personal Accountability Trait. Specifically, it was noted that accountability is well promoted and manifested by employees taking the initiative to correct problems and not engage in activities they believe unsafe. It was also noted that interviews revealed there is a questioning attitude (particularly a technical curiosity – not just challenging others) that it is increasing in strength.

One of the ongoing challenges of improving and sustaining safety culture is to ensure that appropriate behaviors are supported. NFS has put the programs and processes in place to support and sustain these behaviors and the improved culture. Most of these did not exist prior to our response to the 2009/2010 ISCA, while others have been enhanced or improved. Although they are too numerous to mention, the NRC reviewed many of these programs and processes in Team Inspection Report 70-143/2012-007, dated May 4, 2012. The Human Performance – or "HuP" process, Employee Concerns Program, Ombudsman Program, and Executive Review Board are further described in the following paragraphs.

NFS recognizes the value of the Human Performance process in establishing a foundation for improving and sustaining a healthy safety culture. Strong management sponsorship is provided through an Executive Steering Team. A dedicated Human Performance Improvement Manager oversees and supports the organization in the

implementation of the process. Workforce participation and employee engagement in Area Steering teams provides on-going opportunities for the identification and elimination of latent organizational weaknesses, flawed defenses and error precursors. The Senior Management Observations program (now referred to as Scheduled Management Observations) reinforces desired expectations and standards. The observation program was established to increase senior manager presence in the field for reinforcement of behaviors important to a healthy safety culture, including personal accountability, procedure compliance, technical inquisitiveness, willingness to stop, and communications. These observations are spread over all shifts and a report is filed by each manager after the observation. In addition, first line supervisors are trained to observe work and provide coaching on undesired, at-risk behaviors and positive reinforcement of desired, safe behaviors. Reports are trended and included in the Metrics program for both observation programs.

NFS effectively promotes a Safety Conscious Work Environment (SCWE) through policy and action that supports individual's rights and responsibilities to raise safety concerns and does not tolerate harassment, intimidation, retaliation or discrimination. NFS provides several ways for concerns to be raised so that they can be fully evaluated, promptly addressed, and corrected based on their significance. An effective Employee Concerns Program (ECP) is an important element in the desired environment; and, the NFS ECP provides an avenue for any employee or contractor to submit a concern, have it fully evaluated, and promptly addressed, and corrected based on the issue's significance. The NFS Employee Concerns Manager and her director are members of and have received training through the National Association of Employee Concerns Professionals.

Metrics for monitoring the health of the ECP are in place and reviewed routinely by Senior Management. NFS procedure establishes that an Independent Assessment of the ECP be conducted triennially, with the last assessment being conducted in 2013. The assessment resulted in no findings and the outside consultant noted that the program meets the standards and requirements for a healthy ECP and for resolving safety-related concerns reported by company and contractor employees while preventing retaliatory actions against those employees.

NFS has further improved the environment for raising concerns through the establishment of an Ombudsman Program. The NFS Ombudsmen are non-managerial NFS employees who provide a neutral, informal, and if requested, confidential method for personnel to get assistance in resolving conflict which is separate from formalized options such as Employee Assistance Program, Employee Concerns Program, Human Resources, and other avenues. Employees serving as an Ombudsman receive training through the International Ombudsman Association.

The NFS training program for newly hired employees and contractors includes a SCWE training course. Managers and Supervisors complete additional SCWE training on behavioral expectations related to responding to employee concerns and fostering a SCWE. To further strengthen the environment for raising concerns, additional management training ("Management Strategies for Building a Safe & Accountable

Workplace”) was provided by an NSRB member with recognized expertise in safety culture and SCWE. This training continues to be conducted for those new to a supervisory or managerial role. A guidance booklet was developed to provide supervisors and managers with a resource on fostering and maintaining a SCWE. The “Guide to a Safety Conscious Work Environment for Managers & Supervisors,” was initially rolled out to supervisors and managers in 2011 and is now distributed to newly hired or promoted supervisors and managers. Implementation of these process and behavioral improvements, as described above, were responsive to the high priority topical area of SCWE in the 2009/2010 ISCA Report and were reviewed in NRC Team Inspection 70-143/2012-007. The 2013 Safety Culture Assessment consultant noted that interviewees are aware of multiple confidential venues available for raising concerns, but their fear of retaliation is sufficiently low and confidence in their supervisor is sufficiently high, that in most instances they are comfortable bringing up their concern to their supervisor and prefer to do so. NFS has the policies, processes, and behaviors in place for fostering and sustaining a SCWE.

Additionally, an Executive Review Board was put in place that provides a centralized forum for management to be aware of and review employee and contractor issues. The intent of this oversight/advisory body is to detect organizational challenges that could negatively affect the safety culture and take prompt, consistent, and appropriate actions.

### **Safety Culture Focus Areas and Focus Groups**

As described, NFS has taken numerous actions to improve safety culture under the 2011 safety culture improvement plan; and, in late 2012, as most actions under that plan were completing, several employee Focus Groups were formed in order to strengthen four Safety Culture Trait areas identified in early 2012. Each focus group was named and described to indicate the particular Safety Culture Trait attributes/behaviors for continual improvement. For example, the *Responsiveness* Group is focused on certain attributes/behaviors within the Problem Identification & Resolution Trait, while the *Respect* Group is focused on certain attributes/behaviors within the Respectful Work Environment Trait. The *Communication* Group focuses on certain attributes/behaviors within the Effective Safety Communication Trait, while the *Leadership* Group focuses on those within the Leadership Safety Values and Actions Trait. Each focus group is championed by a senior manager and comprised of personnel from various organizations and reporting levels. However, the Leadership Group is comprised of representatives from the senior leadership team. The focus groups had begun suggesting, planning and implementing improvement actions to strengthen safety culture at the time of the 2013 ISCA.

In 2013, an independent, third-party team conducted a safety culture assessment using a variety of assessment tools, as required by the NRC Confirmatory Order EA-10-076. The 2013 ISCA report notes that the assessment results are “Acceptable” overall. The NFS leadership team understands, as noted in the 2013 ISCA report, that “Although the assessment results are Acceptable, there is room for improvement in the health of NFS’ safety culture. Improvement efforts are important in keeping the culture from deteriorating...” In the report, four Safety Culture Trait areas were noted as areas

providing Opportunities for Improvement. This reinforced the validity of the four Safety Culture Focus Areas that NFS identified for 2013. The 2013 ISCA report recommended that NFS “continue with the safety culture improvement efforts that are part of the 2011 Safety Culture Improvement Plan, as well as the initiatives that have been implemented since 2012” (a.k.a., the 2013 Safety Culture Focus Areas).

With recognition of the processes/programs put in place through the previous SCIP and the 2013 Safety Culture Focus Areas, the leadership team developed improvement actions believed to have the greatest impact to strengthen and sustain the NFS safety culture. The August 2013 Safety Culture Improvement Plan (SCIP) was not a checklist of action items to be completed and forgotten, but rather a means to engender behaviors and practices embedded in the culture. To better support understanding and communication of the issues and actions and alignment with employees around the improvement initiatives, the August 2013 SCIP actions were grouped into the four Focus Areas. The four Focus Areas are: Respect, Leadership, Responsiveness, and Communications.

Within the Respect (Respectful Work Environment) Area, the actions identified focused on providing a work environment that is seen as one where respect is evident, opinions are valued, and trust is fostered among individuals and workgroups throughout the organization. Through employee interviews, NFS gained insight that degraded facility conditions in some key common-use areas create a perception that the organization has a lack of consideration for its employees. The improvement plan, therefore, focused on common-use areas such as restrooms, locker rooms, and lunchrooms. Another action in this focus area provided training on dealing with differing opinions, challenging others and having open dialogue when the stakes are high. This training continues to be provided across the organization. The Respectful Work Environment focus group provides an avenue for the leadership team to receive input and feedback on what needs to be done to create a work environment that employees will feel is more respectful.

The actions in the Leadership Area were targeted to improve in the free and open exchange of ideas, questions, requests, and overall transparency, including communication of strategic direction and focus areas for the year. For example, roundtable meetings provide an important format for communication up and down the chain. With another action in the Leadership Area, NFS extended the scheduled management observation program to include third-tier managers. Adding the third-tier managers to this program is designed to increase engagement of the managers with employees by being out in the work areas, talking with employees, and reinforcing desired behaviors.

The Responsiveness Area actions were meant to improve workforce engagement in the problem resolution process, such that follow-up input is received, actions are explained, and status/priority is communicated. The 2013 ISCA report noted that a very low threshold for qualified input may be overloading the CAP; in response, actions were taken, including education, to better focus the CAP on the safe, reliable operation of the plant.

Just as some actions in the other Focus Areas touch on addressing difficulties in effective communication, the actions of the Communication Area work in concert with the other Focus Area actions to improve the work environment and workforce engagement. To ensure strategic alignment of overall safety culture improvement efforts, the plan includes having roundtable meetings with members from the four Focus Areas and the leadership team. Although the 2013 ISCA did not list the Effective Safety Communication Trait as an area with Opportunity for Improvement, and did list the Environment for Raising Concerns Trait as one, NFS noted that the survey mean results of the two were extremely close. Review of the issues in the Environment for Raising Concerns Trait pointed to the need for improving how the processes for open reporting, including the ECP, are publicized and communicated. Therefore, the leadership team addressed this issue within the *Communication Safety Culture Focus Area*.

NFS has taken numerous actions to improve safety culture and recognition of the overriding importance of safety. The leadership team understands that the need to drive continual improvement must be an integral part of what the leadership team does every day to reinforce the desired behaviors. NFS is committed to continue our journey to strengthen and sustain our safety culture through increasing understanding of the safety culture traits, associated attributes, routine assessment, and a continuing commitment to take the actions necessary to stay the course. NFS, as part of its comprehensive metrics system, maintains key performance indicators designed to assist management in understanding the performance in key areas of safety culture. Subject Matter Experts have been appointed for each of the ten traits of a healthy safety culture. These individuals are a resource to be consulted with in matters pertaining to the safety culture trait, particularly changes to plant policy or practices that are designed to improve performance in their safety culture trait area. On a routine frequency, they meet with members of the leadership team to review input available on performance in each trait area, and actions being taken to improve performance in areas where additional improvements are needed. A Safety Culture Improvement Manager is in place to provide the appropriate focus and resourcing necessary to ensure continued success. The leadership team ensures that safety is constantly scrutinized through a variety of monitoring techniques, including assessments of safety culture.

## **Conclusion**

This letter summarizes many of the activities taken to enhance and assure sustainment of a strong safety culture. The bases for the numerous change activities came as a result of multiple evolutions of various assessment efforts conducted during the past few years. The most recent assessments have indicated the acceptability and sustainability of the safety culture improvements made at NFS. NFS recognizes that safety culture improvement is a journey, and that a key element of the journey is periodic assessment. NFS policy states that an assessment of the NFS safety culture will be conducted two to three years from the last assessment. Thus, the target window for the next assessment is between March 2015 and March 2016. Experts tell us that more frequent assessments may be counterproductive, i.e., employees get tired of the survey process, cultural

changes require time to take hold, and expectations for more rapid changes are inappropriately raised.

NFS understands the need to sustain a robust safety culture to ensure the long-term safety of our employees and the public, and the success of our business. The foundational concepts, behaviors, and programs/processes that were successful in implementing our safety culture improvements will continue to be reinforced, enhanced, and supported by the NFS leadership team, which is fundamental to our journey toward achieving and sustaining excellence in safety culture. As stated earlier, that journey was aided by the Order; but, NFS must now take proactive ownership of the actions that will further institutionalize and sustain a robust safety culture. NFS has met the requirements of the Order and continues to demonstrate that its safety culture improvements are sufficient and sustainable. Therefore, NFS recommends and requests that the Order be closed.

If you or your staff have any questions, require additional information, or wish to discuss this, please contact me, or Mr. Richard Freudenberger, Safety & Safeguards Director, at (423) 743-1705. Please reference our unique document identification number (21G-14-0081) in any correspondence concerning this letter.

Sincerely,

**NUCLEAR FUEL SERVICES, INC.**

A handwritten signature in black ink, appearing to read "J. G. Henry", with a stylized flourish at the end.

Joseph G. Henry  
President

NCK-RPD/pdj

Attachment: Status of the Action Items from the NRC Confirmatory Order EA-10-076

Copy:

Director  
Office of Nuclear Material Safety and Safeguards  
U.S. Nuclear Regulatory Commission  
Attention: Document Control Desk  
Washington, DC 20555-0001

Mr. David Hartland  
Project Inspector  
U.S. Nuclear Regulatory Commission  
Region II  
245 Peachtree Center Ave., NE, Suite 1200  
Atlanta, GA 30303-1257

Mr. Kevin Ramsey  
Senior Project Manager  
Fuel Manufacturing Branch  
Division of Fuel Cycle Safety and Safeguards  
Office of Nuclear Material Safety and Safeguards  
U.S. Nuclear Regulatory Commission  
One White Flint North  
11555 Rockville Pike  
Rockville, MD 20852-2738

Mr. Charles Stancil  
Senior Resident Inspector  
U.S. Nuclear Regulatory Commission

Attachment

**Status of the Action Items from the NRC Confirmatory Order EA-10-076**

(7 pages to follow)

**Status of the Action Items from the NRC Confirmatory Order EA-10-076**

The following table repeats the wording from the NRC Confirmatory Order for each action item and provides the current status of each item. As noted in the table, several of the items have already been reviewed and closed by the NRC. NFS is providing this table to assist the NRC in its preparations for upcoming inspections related to closure of the remaining open action items from the Confirmatory Order. Detailed information from the NFS Problem Identification, Resolution, and Correction System (PIRCS) for the action items has been compiled into notebooks that will be made available during the inspections.

**Confirmatory Order EA-10-076 Action Item Table  
(PIRCS Problem 27624)**

<b>Action Item Description from Section V of the NRC Order</b>	<b>Status of the Action Item</b>
1. Within 30 days of issuance of this Confirmatory Order, NFS will submit a Reply to a Notice of Violation, which documents its corrective actions and enhancements as discussed in Section III.3 above. NFS' Reply to the Notice of Violation will be consistent with the requirements of 10 CFR 2.201.	<b>Closed</b> - NFS submitted a reply to the Notice of Violation on December 15, 2010 (letter 21G-10-0231). The NRC accepted the reply and closed this action item in Inspection Report 2011-005, dated January 30, 2012.
2. Within one year of issuance of this Confirmatory Order, NFS will conduct an effectiveness review of each completed corrective action identified in its written Reply to a Notice of Violation. In response to its effectiveness review, NFS will implement additional corrective actions to address any deficiencies or weaknesses, and will continue to do so until such deficiencies and weaknesses are resolved.	<b>Closed</b> - NFS conducted an effectiveness review of each completed corrective action identified in its reply to the Notice of Violation. NRC inspectors determined that the effectiveness reviews met the requirements of this action item and closed the item in Inspection Report 2011-005, dated January 30, 2012.
3. Within six months of issuance of this Confirmatory Order, NFS will conduct an assessment of the effectiveness of its actions to assure the adequacy and accuracy of information submitted to the NRC, including continuous improvements to its processes and changes to its organizational structure. The assessment should be conducted by an independent group (i.e., from outside the safety organization). NFS will then address the issues identified as a result of the assessment.	<b>Closed</b> - The NFS Quality Assurance Department conducted an assessment of the effectiveness of the actions taken to assure the adequacy and accuracy of information submitted to the NRC. NRC inspectors evaluated the effectiveness review and determined that it met the requirements of this action item; the item was closed in Inspection Report 2011-005, dated January 30, 2012.

Action Item Description from Section V of the NRC Order	Status of the Action Item
<p>4. NFS agrees to develop and implement an appropriate safety culture improvement plan to address the findings identified in the second Safety Culture Assessment report that was provided to the NRC on June 29, 2010. NFS also agrees to assess the effectiveness of its plan, and implement additional corrective actions for any weaknesses or deficiencies identified, by June 2012.</p> <p>Corrective actions will continue to be implemented until such time that NFS has demonstrated that the actions were fully effective.</p>	<p><b>Complete</b> - NFS developed its Safety Culture Improvement Plan (SCIP) and submitted it to the NRC on March 23, 2011 (letter 21G-11-0060). In February 2012, an internal Safety Culture Assessment Panel was formed to assess the effectiveness of the plan and to recommend any additional corrective actions for weaknesses or deficiencies identified. The Panel issued its assessment on June 1, 2012, and the additional corrective actions identified in the report were entered into the PIRCS. In a letter (21G-12-0127) dated June 29, 2012, NFS informed the NRC that the assessment had been completed and was available for their review.</p> <p>Following an inspection in April 2012 of the progress made by NFS to address the 2010 Safety Culture Assessment Report findings, the NRC opened two URIs in Inspection Report 2012-007, dated May 4, 2012. During the fourth quarter of 2012, the NRC reviewed the actions taken by NFS to address the two URIs. As documented in Inspection Report 2012-005, dated January 30, 2013, the NRC <b>closed URI-2012-007-01</b>; however, <b>URI 2012-007-02</b> remains <b>open</b> for further review.</p>

<b>Action Item Description from Section V of the NRC Order</b>	<b>Status of the Action Item</b>
<p>5. NFS will conduct integrated independent safety culture assessments using a variety of appropriate assessment tools (which may include, but are not limited to, an independent third party review, employee surveys, Nuclear Safety Review Board inputs, self-assessments), no later than June 2013, and at least every 24 months thereafter, to an accepted nuclear industry standard. The safety culture assessments will include the following provisions and attributes:</p>	<p><b>Complete</b> - An independent Safety Culture Assessment survey and related on-site activities were completed April 25, 2013. The final report was received on-site June 24, with cover dated June 19, 2013.</p>
<p>a. The integrated assessment results will be shared with NFS staff within 30 days of completion of results.</p>	<p><b>Complete</b> - Sharing of results with NFS staff was completed and included the following elements: presentation of results at the June 26 All Hand Meetings, after which the presentation was posted to NFS SharePoint homepage for access by all NFS Staff; a communication was sent to all employees and contractors on June 27, notifying them of the availability of the information and providing a hyperlink to get to the location on the NFS SharePoint homepage; and finally, the June 2013 edition of NFS' All Hands Newsletter included a feature section on the assessment results.</p>
<p>b. The integrated assessment results will be provided to the NRC within 30 days of completion of results.</p>	<p><b>Complete</b> - On July 18, 2013, NFS completed the transmittal letter (21G-13-0160) to the NRC providing the report received from the independent contractor that conducted the assessment. NFS re-submitted the report on September 13, 2013 (letter 21G-13-0208) with no changes other than to remove the Official Use Only designation and markings.</p>

<b>Action Item Description from Section V of the NRC Order</b>	<b>Status of the Action Item</b>
c. The corrective action plans to address the issues identified in these integrated assessments will be provided to the NRC within 60 days of completion of results.	<b>Complete</b> - On August 19, 2013, NFS completed the transmittal letter (21G-13-0181) to the NRC providing its corrective action plan to address the issues identified in the independent assessment. The plan was titled "NFS' Safety Culture Improvement Plan, August 2013." NFS re-submitted the plan on September 13, 2013 (letter 21G-13-0208) with no changes other than to remove the Official Use Only designation and markings.
d. Appropriate and timely corrective actions will be implemented to address the issues identified in these assessments.	<b>Complete</b> - The corrective actions identified to the NRC in the August 2013 Safety Culture Improvement Plan were entered into the PIRCS and have been tracked by NFS management in the Plan of the Day Schedule. All of the PIRCS items have been completed, and the corrective actions have been implemented.
e. Effectiveness reviews of corrective actions will be implemented within one year of completion of the corrective action. Additional corrective action is taken to address those actions which were not fully effective.	<b>Complete</b> – Effectiveness reviews have been implemented through entries into the PIRCS, with the reviews scheduled to start when sufficient evidence will have been generated to allow for a proper evaluation. All the effectiveness reviews will be completed within one year of the action items' completion dates. Additional actions will be taken to address identified deficiencies.
f. NFS will inform the NRC when it has determined that improvements in safety culture are sufficient and sustainable.	<b>Complete</b> - NFS has determined that the improvements made in its safety culture are sufficient and sustainable, and is providing notification of such in the June 18, 2014, letter (21G-14-0081) accompanying this table.
g. The above actions involving independent safety culture assessments will continue until NRC has concluded that the actions were fully effective.	<b>Awaiting NRC Action</b> - NFS believes that the above actions generated as a result of the independent assessments have been fully addressed and instrumental in achieving a healthy, effective safety culture at the facility.

Action Item Description from Section V of the NRC Order	Status of the Action Item
<p>6. NFS will complete an assessment of its current corrective action program against the requirements of NQA-1-2008, Part III. Subpart 3.1, "Non-Mandatory Appendix 16A-1." Based on this assessment, NFS will submit a license amendment request within nine months of the date of issuance of this Confirmatory Order, incorporating into the license its current corrective action program including the additional enhancements made to the program as a result of the assessment.</p>	<p><b>Closed</b> - The assessment was completed by an external NQA-1 subject matter expert in February 2011. Based on the results of the assessment, NFS submitted a license amendment request to NRC Headquarters on August 5, 2011 (letter 21G-11-0153) incorporating its current corrective action program and any enhancements made as a result of the assessment. To formally document completion of this action item from the Order, NFS informed NRC Region II of the assessment and the license amendment request on August 8, 2011 (letter 21G-11-0154).</p> <p>As requested by the NRC, and to support their review of the license amendment request, NFS transmitted a copy of the assessment to the NRC on February 7, 2012 (letter 21G-12-0025).</p> <p>In response to an NRC RAI dated February 16, 2012, NFS made three additional submittals before the amendment was issued:  Letter 21G-12-0053, dated March 21, 2012  Letter 21G-12-0096, dated May 14, 2012  Letter 21G-12-0208, dated October 10, 2012</p> <p>Amendment 1, Enhancement of Corrective Action Program, to the NFS SNM-124 License was issued on January 8, 2013 (TAC No. L33172)</p>

Action Item Description from Section V of the NRC Order	Status of the Action Item
7. NFS shall implement metrics to measure overall safety performance at the facility.	<p><b>Closed</b> - NFS has established a comprehensive metrics program, which includes Key Performance Indicators (KPIs) and rollups focused on safety. The system is updated monthly, and used by local management and senior staff to maintain awareness of performance. The system can be accessed from the NFS Intranet by all employees, and posting locations have been established around the plant site to make the top-level dashboard and select KPIs more visible. Management determines what KPIs are needed and provides the data, analysis of the data, and action plans to the Assessments &amp; Metrics Program Administrator to update the system. NRC inspectors reviewed the metrics program and determined that this action item had been met; the item was closed in NRC Inspection Report 2011-005, dated January 30, 2012.</p>