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RETURN RECEIPT REQUESTED

21G-16-0090
GOV-01-55-04
ACF-16-0162

May 25, 2016

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

References: 1) Docket No. 70-143; SNM License 124
2) NRC Inspection Report No. 70-143/2016-002 and Notice of Violation, dated April 29, 2016

Subject: Reply to a Notice of Violation (VIO 70-143/2016-002-01)

Gentlemen:

Pursuant to the requirements of 10 CFR 2.201, Nuclear Fuel Services, Inc. (NFS) hereby submits the attached response to the subject violation identified in the referenced NRC inspection report (Reference 2).

If you or your staff have any questions, require additional information, or wish to discuss this matter further, please contact me at (423) 743-1705, or Mr. Randy Shackelford, Nuclear Safety and Licensing Manager, at (423) 743-2504. Please reference our unique document identification number (21G-16-0090) in any correspondence concerning this letter.

Sincerely,

NUCLEAR FUEL SERVICES, INC.

A handwritten signature in black ink, appearing to read 'Richard J. Freudenberger', written in a cursive style.

Richard J. Freudenberger, Director
Safety and Safeguards

RSM/pj

Attachment: NFS Reply to a Notice of Violation (VIO 70-143/2016-002-01)

IED7
NMSS

Copy:

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Mr. Charles Stancil
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U. S. Nuclear Regulatory Commission

ATTACHMENT

NFS Reply to a Notice of Violation

VIO 70-143/2016-002-01

(3 pages to follow)

**NFS Reply to a Notice of Violation
(VIO 70-143/2016-002-01)**

Restatement of Violation

During an NRC inspection conducted from February 1 to March 23, 2016, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

SNM-124, Chapter 7 Fire Safety, Section 7.2.3, Inspection, Testing, and Maintenance of Fire Protection Systems, states in part, procedural guidance is established for the inspection, testing, and maintenance of fire protection systems routinely performed by NFS personnel. These procedures are applied to fire detection, warning, and suppression systems. Records of these activities and of outside vendor inspections are maintained by the Industrial Safety function. Section 7.4.1 Facility Design Criteria states in part, NFS buildings are designed and built to the requirements of NFPA 801, as well as, any applicable state, and local building, electrical, and fire codes in effect at the time of their construction.

NFPA 801, Section 4.4 Testing, Inspection and Maintenance, states in part, upon installation, fire protection systems and features shall be inspected and tested in accordance with the applicable standards or guidelines. Testing, inspection, and maintenance shall be documented by means of written procedures, with the results and follow-up actions recorded.

Individual NFPA Codes and Standards that define the requirements for testing, inspection, and maintenance of the fire protection systems and components are referenced throughout NFPA 801. These NFPA Codes and Standards require that records be made for all inspections, tests, and maintenance of the system and its components and shall be made available upon request.

Contrary to the above, on or before February 3, 2016, the licensee was unable to, upon request, make available the records for all inspections, tests, and maintenance of the fire protection systems and components. Additionally, during a review of the available inspection, testing and maintenance records, the NRC inspectors identified multiple instances where fire protection system deficiencies had been identified, but no follow-up actions had been recorded indicating that these issues had been evaluated or addressed (e.g. corrective action documents, work requests, or other resolutions).

This is a Severity Level IV violation.

The reason for the violation, or if contested, the basis for disputing the violation or severity level

The fire protection records were not being formally managed as required by the NFS Records Management System. Additionally, the review of the inspection records and any resulting deficiencies were not being formally documented.

The corrective steps that have been taken, and the results achieved

The following corrective actions have been implemented to address the cause of the violation and restore full compliance with the applicable regulatory requirements:

1. As documented in the NRC Inspection Report No. 70-143/2016-002 dated April 29, 2016, NFS performed a self-assessment which involved a review of all fire protection program inspection, testing, and maintenance procedures and records. During this self-assessment, NFS either located the required records or re-performed requisite inspections or testing. In addition, any system deficiencies were properly identified, the appropriate measures were initiated to correct the deficiencies, and the deficiencies were documented in the Corrective Action Program.
2. Subsequent actions taken include the following:

Records management expectations were relayed by Management to Staff specifically on the requirements for maintaining the inspection, testing, and maintenance records as well as ensuring any deficiencies are properly identified, appropriate measures are taken, and the deficiencies are captured in the Corrective Action Program. Management over-checks are being conducted to ensure the records are being maintained as required (Corrective Action 27008).

The corrective steps that will be taken

Fire Protection procedures regarding inspections and tests are being reviewed and revised as needed to clarify the inspection requirements and define expectations for the personnel performing the inspections/tests as well as the expectations for the Fire Protection review of inspection sheets. The Fire Protection procedures will be assessed to the following criteria (Investigation 20915):

1. Add IROFS flags to steps and inspections sheets that pertain to or could affect IROFS
2. Define notification requirements for failed equipment
3. Define expectations for Fire Protection review of inspection sheets
4. Verify compliance with applicable codes
5. Provide additional room for comment fields so issues can be fully documented

The date when full compliance will be achieved

Full compliance was achieved on March 21, 2016, when NFS provided the required records to the NRC inspectors and demonstrated that system deficiencies were properly identified, the appropriate measures were initiated to correct the deficiencies, and the deficiencies were documented in the Corrective Action Program.