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21G-17-0222  
GOV-01-55-04  
ACF-17-0276

November 16, 2017

U. S. Nuclear Regulatory Commission  
Attention: Document Control Desk  
Washington, DC 20555-0001

**Subject: Reply to a Notice of Violation (VIO 70-143/2017-004-01)**

References: 1) Docket No. 70-143: SNM License 124  
2) NRC Inspection Report No. 70-143/2017-004 and Notice of Violation, dated  
October 17, 2017

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-17-0222) in any correspondence concerning this letter.

Sincerely,

**NUCLEAR FUEL SERVICES, INC.**

Richard J. Freudenberger, Director  
Safety and Safeguards

RKR/lah

Attachment: NFS Reply to a Notice of Violation (VIO 70-143/2017-004-01)

IE07

RCN-II

Copy:

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Mr. Larry Harris  
NRC Resident Inspector

*ATTACHMENT*

**NFS Reply to a Notice of Violation**

**VIO 70-143/2017-004-01**

(2 pages to follow)

**NFS Reply to a Notice of Violation  
(VIO 70-143/2017-004-01)**

**Restatement of Violation**

During an NRC inspection conducted from July 1 to September 30, 2017, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

10 CFR 71.5 states, in part, "Each licensee who transports licensed material outside the site of usage, as specified in the NRC license or where transport is on public highways shall comply with the applicable requirements of the DOT regulations in 49 CFR 107, 171 through 180, and 390 through 397, appropriate to the mode of transport."

Contrary to the above, on January 10, 2017 {June 22, 2017}, the licensee failed to comply with applicable DOT requirements in 49 CFR parts 107, 171 through 180, and 390 through 397, for transporting licensed material outside the site of usage, where transport is on public highways.

{NOTE: The Notice of Violation and Enforcement section of the inspection report incorrectly specified January 10, 2017, as the violation date. The inspection report Conclusion description correctly identified the date of the subject shipment as June 22, 2017, which was the actual date of the violation.}

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 apparent causes of the shipment classification error included: The NFS procedure for nuclear material shipment needed improvement, communications regarding the shipment needed improvement, and the person initiating the shipment needed more skill/knowledge to properly perform the shipment.

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

The event was documented in the licensee's corrective action program on June 23, 2017. A team was assembled to identify causes and recommend corrective actions.

1. As interim corrective actions, expanded reviews of shipments for samples, non-product, and non-waste material were informally instituted on June 28, 2017. This requirement was formally implemented by an internal Specific Work Instruction (SWI) on July 12, 2017. This SWI was applicable to shipments of samples, non-product, and non-waste material shipments and requires additional reviews by the health physics staff and technical Subject Matter Expert prior to shipment (Reference WST-SWI-17-020).

2. NFS procedure NFS-ACC-033, Shipping Procedure for Nuclear Material, was revised to institutionalize the learnings and implement the checklist of the action below (Reference NFS-ACC-033, Revision 44).
3. To facilitate improved communications and data gathering, a comprehensive checklist requiring specific data was developed to document specific requirements for sample, non-waste, and non-product type shipments (Reference FM-WST-074, FM-WST-075, and FM-WST-076).
4. To close gaps in skills or knowledge deficiencies, an information-sharing toolbox was developed with a focus of contamination level implications and impact regarding the classification of samples, non-product, and non-waste type shipments (Reference OPR-TB-NOV17-08).
5. Additionally, although not specifically driven by this event, fourteen (14) members of the Transportation and Waste Management and Safety staff attended Advanced Radioactive Material Shipper training in November 2017, to further enhance skills and knowledge (Reference training records for PD-ADV-RAD-MRT-SHPR-TRN).

The results are that several shipments of samples, non-product, and non-waste materials have been compliantly, accurately, and safely conducted including at least four shipments performed by the individual that initiated the original shipping error.

**The corrective steps that will be taken**

No additional corrective actions have been identified for this event.

**The date when full compliance will be achieved**

The subject shipment left NFS on June 22, 2017. The non-compliant condition of radioactive material, inappropriately classified as non-regulated on public highways ended on June 26, 2017, when the receiving facility performed a receipt inspection and took proper action to control the material. This action eliminated the risk of inappropriate handling or disposal of the equipment but did not eliminate precursors to the event. The date of full compliance was June 28, 2017, when additional reviews by health physics and SME technical reviewers were implemented.