

## Update of Nuclear Fuel Services, Inc.

### 1. SITE IDENTIFICATION

Location: Erwin, TN  
License No.: SNM-124  
Docket No. 70-143  
License Status: Active

### 2. SITE STATUS SUMMARY

Nuclear Fuel Services (NFS) did not meet the criteria established in SECY-02-0216 for discussion at this year's AARM. However, NFS was discussed at last year's AARM meeting, and Region II and NMSS recommend that the status of the NFS improvement actions be discussed this year due to the unique aspects of NRC oversight at the facility. In particular the establishment of a Safety Culture and Configuration Management Improvement Oversight Panel (Panel) that is evaluating NFS implementation of the February 21, 2007, Confirmatory Order (Order).

### 3. MAJOR TECHNICAL OR REGULATORY ISSUES

#### NFS Safety Culture and Configuration Management Improvement Oversight Panel

The panel was formed after the February 2007 Order was issued to provide specific oversight of NFS implementation of the order. The Panel has already begun reviewing the licensee's implementation of the Order. The qualifications, plan, and schedule of the independent third party performing the initial safety culture assessment has already been completed. The Panel's review prompted the licensee to augment their initial assessment strategy, which resulted in NRC granting a 90 day extension for its implementation. The Panel will then review the initial assessment report and assess NFS plans to address the safety culture issues identified in the assessment.

The Panel will also review the corrective actions for the escalated enforcement issues outlined in the Order as well as the licensee's amendment to upgrade the configuration management program.

#### NFS Repetitive Significant Program Issues

NFS' current performance, as indicated by the number of violations identified since mid-2007, has not significantly improved since the last licensee performance review (LPR). The violations continue to indicate that NFS needs to improve its management oversight to ensure adherence to operational, radiological protection, and engineering procedures. This area for improvement is longstanding as indicated by two of the previous three LPRs.