

July 31, 1984

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PR

The Honorable Richard L. Ottinger, Chairman  
Subcommittee on Energy Conservation and Power  
Committee on Energy and Commerce  
United States House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

Enclosed for your information is an announcement that the Nuclear Regulatory Commission staff has proposed a civil penalty of \$100,000 against Nuclear Fuel Services, Incorporated, for alleged noncompliance with NRC regulatory requirements at the company's nuclear fuel fabrication plant at Erwin, Tennessee.

It is planned to mail this information to the news media today, July 31, 1984.

Sincerely,

Carlton Kammerer, Director  
Office of Congressional Affairs

Enclosure:  
As stated

cc: Rep. Carlos Moorhead

IDENTICAL LETTER SENT TO:  
Sen. Simpson/cc: Sen. Hart  
Rep. Udall/cc: Rep. Lujan  
Rep. Markey/cc: Rep. Marlenee  
Sen. Baker  
Sen. Sasser  
Rep. Quillen

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# **UNITED STATES NUCLEAR REGULATORY COMMISSION**

**Office of Public Affairs  
Washington, D.C. 20555**

No. 84-95  
Tel. 301/492-7715

FOR IMMEDIATE RELEASE  
(Tuesday, July 31, 1984)

## **NRC STAFF PROPOSES TO FINE NUCLEAR FUEL SERVICES \$100,000 FOR ALLEGED VIOLATION OF NRC REGULATORY REQUIREMENTS**

The Nuclear Regulatory Commission staff has proposed a civil penalty of \$100,000 against Nuclear Fuel Services, Incorporated, for alleged non-compliance with NRC regulatory requirements at the company's nuclear fuel fabrication plant at Erwin, Tennessee.

In a letter to the company, James P. O'Reilly, Administrator of the NRC's Region II office in Atlanta, said that the fine was being proposed because NFS failed to identify and correct "degradations of the Material Access Area (MAA) boundary in several instances." While details of buildings and equipment at the facility are unavailable for public disclosure for reasons of national security, NRC officials said the violations pertained to instances involving a lessening of the overall effectiveness of the security barrier.

O'Reilly said, "the NRC is concerned that management and administrative control system at NFS failed to promptly detect and correct these problems." He added that NRC officials are satisfied with steps taken at the plant to enhance communication between departments so that a "maintenance project does not degrade or circumvent the effectiveness of the physical security system."

The company has 30 days in which to either pay the penalty or to protest its imposition, in whole or in part.

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