

Erwin Citizens Awareness Network, Inc. (ECAN)

P. O. Box 1151
Erwin, TN 37650

February 2, 2011

Blue Ribbon Commission
c/o Timothy A. Frazier
U. S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Email to: CommissionDFO@nuclear.energy.gov
or post to Commission Website at <http://www.brc.gov>

SUBJECT: Blue Ribbon Commission on America's Nuclear Future (Nuclear Fuel)
Federal Register Notice, Vol. 76. No. 17, Wednesday, January 26, 2011, Page 4646

The concerned citizens who comprise ECAN, Inc. have read hundreds of Nuclear Regulatory Commission (NRC) inspections reports and researched the problems at Nuclear Fuel Services (NFS), Inc. and the NRC oversight of it for the past four years.

NFS is a 54-year old nuclear fuel facility located within the City Limits of Erwin, Tennessee, a small, rural, low-socioeconomic Appalachian town with a population of approximately 5,000 in the City and 16,000 in surrounding Unicoi County. NFS is a stones throw from a major Interstate Highway I-26.

NFS is supposedly the sole supplier of Navy submarine fuel, and since 2002, NFS has also down blended high-enriched Uranium to produce commercial fuel for nuclear reactors.

Over the past four years, and particularly since the 2007 overturn of the Official Use Only policy regarding NFS, members of the public have brought their concerns -- about the continuing safety, regulatory, and accountability problems at NFS to include the degraded equipment and safety-related equipment, degraded infrastructure, and a lack of safety culture -- to the attention of the NRC, NRC Inspector General (numerous times), DOE(NNSA), EPA, CDC (ATSDR), our elected officials, and the U.S. House of Representatives Energy and Commerce Committee.

On December 31, 2009, all of the processes at NFS were shutdown due to safety issues, and they remained closed for three months. Since 2006, following the 9-gallon spill of high-enriched Uranium, with two near criticalities, the NFS senior leadership has been a revolving door -- changing four times, and most recently on or about January 17, 2011.

As of today, all production lines have been restarted except the UF6 processing in the Commercial Development Line -- a process considered very dangerous due to a possible release of Fluorine gas so close to the community, schools, shopping centers, and our only hospital. This is a process that was opposed by members of the Erwin Citizens Awareness Network, Inc. for two years, prior to the license finally being issued by the NRC.

The Safety Culture Board of Advisors (SCUBA), on June 21, 2010, released its second report on NFS (331 pages). We have read and thoroughly studied this report, and found it to be much worse than their 2007/2008 report. NFS has not complied with the NRC's 2007 Confirmatory Order, although they made commitments to the NRC who in return agreed not to pursue a number of pending escalated enforcement actions.

We believe that the NRC has failed to comply with the federal legal requirements of Title 10 Code of Federal Regulations Part 50, Appendix B, by not including in the NFS license SNM-124 a Nuclear Quality Program equivalent to a NQA-1. The NRC Congressional Charter requires it to protect the health and safety of the public and the NQA Program is specifically designed to implement that NRC requirement. As a result of not having a Nuclear Quality Program, we believe that large quantities of nuclear material rejects have been generated, and since the work is done on a cost-plus basis, the Navy has had to pay for everything that was produced whether it was usable or not. Former employees say that the Navy has been overcharged for years. If this is true, then it is fraud and abuse of government contracts, and therefore, the taxpayers. We request that the Blue Ribbon Commission look into this.

We believe this industry's 54-year history of serial noncompliance, violations, enforcement actions, recurring accountability issues, the 2006 spill, two recent accidents in October and November 2009, this latest 2010 SCUBA report, and the questionable NRC oversight, warrant the attention of the Blue Ribbon Commission as they consider future production of nuclear fuel, and especially for the Navy.

We believe that over the years, the NRC, all the way to the Commission level, has failed in its mission to protect public health, safety, and the environment, through complacency, collusion and neglect. The SCUBA II Report is evidence that NFS management, at all levels, have also failed to manage the plant in a way that would protect the workers, the public, and the environment. With their current degraded conditions, continuing decline, revolving-door leadership, lack of knowledge and expertise by senior management, we fear a catastrophe or more losses will occur in the handling of nuclear material.

Attached is a two-page document containing excerpts from the 331-page SCUBA II Report, and a 20-year history of Enforcement Actions. Additionally, we have assembled a 300-page history 1957-2010, entitled "A Nuclear Nightmare"; 330-page Violation History, 1974-2010; 50-page Event Report Summary 1990-2010, and 650 pages of subject-specific Timelines (index attached). These are available in hard-copy or electronically. The Violation History was recently provided to the NRC at a public meeting regarding the renewal of the NFS license SNM-124 for another 40 years -- a major, unprecedented federal action that is not accompanied by a proper Environmental Impact Statement.

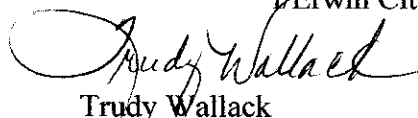
We would encourage the Blue Ribbon Commission to further encourage the DOE and DOD to seriously accept the fact that this plant cannot last forever and that another site should be considered for future fuel production. It would seem that in this day and time of threats and possible terrorism, at least a second source for a strategic asset, such as Navy submarine fuel, would be considered.

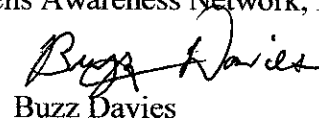
And last, but certainly not least, please know that the preliminary results of our recent environmental sampling shows an NFS signature of high-enriched Uranium and Plutonium in the Nolichucky River as far away as 35 miles. This is a critical issue since the River is a source of drinking water for the downstream communities of Jonesborough and Greeneville and irrigation for many large farms.

We are grateful that the President has appointed the Blue Ribbon Commission and we thank you for your time and consideration of this request.

Respectfully,
Erwin Citizens Awareness Network, Inc.


Barbara O'Neal


Trudy Wallack


Buzz Davies