

August 7, 2009

Ms. B. Marie Moore, Vice President
Safety and Regulatory
Nuclear Fuel Services, Inc.
P.O. Box 337, MS 123
Erwin, TN 37650

SUBJECT: NUCLEAR FUEL SERVICES, INC. – TIMELY RENEWAL STATUS AND
NON-ACCEPTANCE OF LICENSE RENEWAL APPLICATION (TAC L32830)

Dear Ms. Moore:

We have received your letter dated June 30, 2009, transmitting the application for renewal of Material License no. SNM-124. The submittal has been assigned Technical Assignment Control number L32830. Please reference this number in any future correspondence associated with this submittal.

Because you filed the application for renewal not less than 30 days before the expiration date of your existing license (July 31, 2009), your existing license will not expire until the Commission makes a final determination on the renewal application in accordance with the timely renewal provision in Title 10, Code of Federal Regulations, Section 70.38 (10 CFR 70.38).

Our acceptance review to date has identified deficiencies that prevent us from accepting the application for detailed review. We acknowledge that you have approved plans for the topics listed below. However, your application must provide or reference the specific documents that demonstrate your compliance with the regulations. If you revise the application by **August 31, 2009**, to address the following deficiencies, we will accept it for detailed review:

1. The provisions of 10 CFR 70.22(b) require that your application contain a full description of the program for control and accounting of special nuclear material (SNM). Your application failed to provide this information or reference a document that is considered part of your application.
2. The provisions of 10 CFR 70.22(g) require that your application contain a description of the plan for physical protection of SNM in transit, and a safeguards contingency plan for threats, thefts, and sabotage of SNM in transit. Your application failed to provide this information or reference a document that is considered part of your application.
3. The provisions of 10 CFR 70.22(h) require that your application contain a physical security plan for formula quantities of SNM. Your application failed to provide this information or reference a document that is considered part of your application.
4. The provisions of 10 CFR 70.22(i) require that your application contain an emergency plan or an evaluation showing that a plan is not required. Your application failed to provide this information or reference a document that is considered part of your application.

5. The provisions of 10 CFR 70.22(j) require that your application contain a safeguards contingency plan for formula quantities of SNM. Your application failed to provide this information or reference a document that is considered part of your application.
6. The provisions of 10 CFR 70.22(k) require that your application contain a physical security plan for SNM of moderate and low strategic significance. Your application failed to provide this information or reference a document that is considered part of your application.
7. The provisions of 10 CFR 70.22(l) require that your application address how Safeguards Information will be protected in accordance with 10 CFR Part 73. Your application failed to provide this information or reference a document that is considered part of your application.
8. The provisions of 10 CFR 70.22(m) require that your application contain a full description of the program to protect classified information in accordance with 10 CFR Parts 25 and 95. Your application failed to provide this information or reference a document that is considered part of your application.
9. The provisions of 10 CFR 70.65(b) require that your application contain copies of all integrated safety analysis summaries. Your application failed to provide this information or reference documents that are considered part of your application.

In addition to the deficiencies listed above, we note that Section 11.8 of your application (Other QA Elements) fails to provide enough information for a reviewer to evaluate the acceptance criteria in NUREG-1520, Section 11.4.3.8. You may wish to consider providing additional information now and reduce the need to provide additional information later.

In accordance with 10 CFR 2.390 of the U.S. Nuclear Regulatory Commission's (NRC) "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Agency-wide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

If you have any questions concerning this letter please contact me at (301) 492-3123, or via email to Kevin.Ramsey@nrc.gov.

Sincerely,

/RA/

Kevin M. Ramsey, Project Manager
Fuel Manufacturing Branch
Fuel Facility Licensing Directorate
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

5. The provisions of 10 CFR 70.22(j) require that your application contain a safeguards contingency plan for formula quantities of SNM. Your application failed to provide this information or reference a document that is considered part of your application.
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Sincerely,

Kevin M. Ramsey, Project Manager
 Fuel Manufacturing Branch
 Fuel Facility Licensing Directorate
 Division of Fuel Cycle Safety
 and Safeguards
 Office of Nuclear Material Safety
 and Safeguards

Docket No.: 70-143
 License No.: SNM-124

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