



Nuclear Fuel Services, Inc.
1205 Banner Hill Road
Erwin, TN 37650

(423) 743-9141

www.atnfs.com

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

**21G-04-0193
GOV-01-55-04
ACF-04-0475**

December 16, 2004

Director
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, DC 20555

References: 1) Docket No. 70-143; SNM License 124
2) Letter from B.M. Moore to NRC, Submittal of Site-Wide Integrated Safety Analysis Summary for Existing Processes, dated October 15, 2004 (21Y-04-0008)

Subject: Request for Deletion of License Condition (LC) S-2, LC S-4, and LC S-5

Dear Sir:

Nuclear Fuel Services, Inc. (NFS) hereby requests an amendment to the referenced license to delete License Condition (LC) S-2, LC S-4 and LC S-5. These three conditions currently require preparation of an Integrated Safety Analysis (ISA) Summary and nuclear criticality safety evaluations for the Fuel Manufacturing Process, the Low-Enriched Uranium Recovery Facility and the 300 Complex incinerator system described in Chapter 15.1, 15.2, and 15.4 of SNM-124. Moreover, these license conditions also require submittal of the ISA Summary and an application for an amendment to the license to the Nuclear Regulatory Commission (NRC) at least 90 days prior to the NFS planned restart of these operations. Clearly, these requirements have been superseded by Title 10, Code of Federal Regulations (CFR), Part 70, Subpart H, that were invoked for existing processes on October 18, 2004. As you are aware, NFS has submitted a Site-Wide ISA Summary for existing processes (Reference 2), established a management measures/configuration management program for Items Relied On For Safety, and brought its existing processes into conformance with 10 CFR 70, Subpart H.

As written, LC S-2, LC S-4, and LC S-5 preclude a *change control* review against criteria specified in §70.72 (and LC S-25) for determining the need for submitting an ISA Summary and license amendment application for NRC approval. Therefore, this proposed amendment request serves to remove the existing restrictions and allow changes to these processes to be reviewed against the §70.72 criteria when determining whether or not prior approval by the NRC for such changes is required.

The proposed changes contained herewith are procedural and administrative in nature and, thus, commensurate with a Categorical Exclusion specified in 10 CFR 51.22.

NMSS01

If you or your staff have any questions, require additional information, or wish to discuss this, please contact me, or Mr. Rik Droke, Licensing and Compliance Director at (423) 743-1741. Please reference our unique document identification number (21G-04-0193) in any correspondence concerning this letter.

Sincerely,

NUCLEAR FUEL SERVICES, INC.



B. Marie Moore
Vice President
Safety and Regulatory

JSK/pdj

cc:
Regional Administrator
U.S. Nuclear Regulatory Commission
Region II
Atlanta Federal Center
61 Forsyth Street, SW
Suite 23T85
Atlanta, GA 30303

Mr. William Gloersen
Project Inspector
U.S. Nuclear Regulatory Commission
Region II
Atlanta Federal Center
61 Forsyth Street, SW
Suite 23T85
Atlanta, GA 30303

Mr. Daniel Rich
Senior Resident Inspector
U.S. Nuclear Regulatory Commission