



Nuclear Fuel Services, Inc.
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**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

**21G-05-0069
GOV-01-55-04
ACF-05-0130**

March 31, 2005

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 NRC, "Nuclear Fuel Services, Inc., Acknowledgment of Receipt of Financial Assurance for Building 311 (TAC L31879)," dated March 24, 2005

Subject: Status of Operations at Building 311

Dear Sir:

As discussed with your staff, Nuclear Fuel Services, Inc. (NFS) plans to begin storing special nuclear materials in Building 311 during the week of April 4, 2005. NFS has completed its review of the regulatory requirements needed to support operations at this facility. Based on this review, use of this facility will be authorized in accordance with NFS' process for evaluating Internally Authorized Changes (IACs). In addition, a financial assurance instrument has been implemented in accordance with the referenced license to guarantee funds needed to cover the cost of decommissioning the facility.

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-05-0069) in any correspondence concerning this letter.

Sincerely,

NUCLEAR FUEL SERVICES, INC.

B. Marie Moore
Vice President
Safety and Regulatory

UMSS01

JSK/pdj

copy:

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