

[REDACTED]

June 17, 2005

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. - AMENDMENT 61 - REVISED DATE FOR ANNUAL UPDATE OF SAFETY DEMONSTRATION SECTION (TAC L31896)

Dear Ms. Moore:

In accordance with your application dated June 7, 2005 (NFS No. 21G-05-0115), and pursuant to Part 70 to Title 10 of the Code of Federal Regulations (CFR), Materials License SNM-124 is hereby amended to revise the date for submitting the annual update of the safety demonstration section in Part II of the license application. Accordingly, Safety Condition S-27 is revised as follows:

S-27 By January 30 of each calendar year, the licensee shall update the safety demonstration sections of the license application to reflect the licensee's current operations and evaluations. The updates shall, at a minimum, include information for the health and safety section of the application as required by 10 CFR 70.22(a) through 70.22(f) and 70.22(i) and operational data on environmental releases as required by 70.21.

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B. Moore

In addition, Safeguards Condition SG-5.1 is revised as follows to reflect the internally authorized changes to your Fundamental Nuclear Material Control Plan that we accepted in our letter dated May 16, 2005 (ADAMS no. ML051360229):

SG-5.1 In order to achieve the performance objectives of 10 CFR 74.51(a) and maintain the system capabilities identified in 10 CFR 74.51(b), the licensee shall follow its "Fundamental Nuclear Material Control Plan" with respect to all activities involving strategic special nuclear material, except as noted in License Condition SG-5.5. The Plan, as currently revised and approved, consists of:

- General Discussion ----- Rev. 12 (dated April 2002)
- Sec. 1 -- Process Monitoring ----- Rev. 13 (dated February 2004)
- Sec. 2 -- Item Monitoring ----- Rev. 4 (dated April 2002)
- Sec. 3 -- Alarm Resolution ----- Rev. 6 (dated October 2004)
- Sec. 4 -- QA & Accounting ----- Rev. 13 (dated October 2004)
- Annex A ----- Rev. 5 (dated March 2003)
- Annex B ----- Rev. 1 (dated August 1998)
- Annex C ----- Rev. 1 (dated August 1998)
- Annex D ----- Rev. 2 (dated October 2000)

Revisions to this Plan shall be made only in accordance with, and pursuant to, either 10 CFR 70.32(c) or 70.34.

All other conditions of this license shall remain the same.

Enclosed are copies of the revised Materials License SNM-124 (Enclosure 1) and the Safety Evaluation Report (Enclosure 2), which includes the Environmental Review.

If you have any questions regarding this matter, please contact Kevin Ramsey of my staff at (301) 415-7887 or via e-mail to kmr@nrc.gov.



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B. Moore

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Sincerely,

/RA/

Gary S. Janosko, Chief
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No.: 70-143
License No.: SNM-124
Amendment 61

Enclosures:

1. Materials License SNM-124
 2. Safety Evaluation Report
- [REDACTED]



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Gary S. Janosko, Chief
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
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Office of Nuclear Material Safety
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Docket No.: 70-143
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Amendment 61

Enclosures:

- 1. Materials License SNM-124
- 2. Safety Evaluation Report

CLOSES TAC NO. L31896

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DOCKET: 70-143

LICENSEE: Nuclear Fuel Services, Inc.
Erwin, Tennessee

SUBJECT: SAFETY EVALUATION REPORT FOR NUCLEAR FUEL SERVICES, INC. -
AMENDMENT 61 - REVISED DATE FOR ANNUAL UPDATE OF SAFETY
DEMONSTRATION SECTION (TAC L31896)

BACKGROUND

By letter dated June 7, 2005, Nuclear Fuel Services, Inc., (NFS) submitted a request to amend Materials License SNM-124 to change the date for submitting annual updates to the safety demonstration section in Part II of its license application.

DISCUSSION

In accordance with License Condition S-27, NFS has been submitting updates to Part II of its license application by the anniversary of the license issue date (July 2) each calendar year. In accordance with 10 CFR 70.72(d) and License Condition S-25, NFS must submit a summary of all internally authorized changes including revised integrated safety analysis summary pages by January 30 of each calendar year. Preparation of annual updates is labor intensive and NFS believes it would be more efficient if all annual updates were due at the same time. Therefore, NFS requests an amendment to License Condition S-27 to specify January 30 instead of the anniversary of the license issue date.

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Enclosure 2

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This would result in a one-time extension of six months in the annual update of Part II of the license application. During this time, all internally authorized changes would be subject to a change control program which is inspected periodically. The NRC staff finds the change acceptable.

ENVIRONMENTAL REVIEW

The change considered is administrative and procedural and does not affect the scope or nature of the licensed activity. 10 CFR 51.22(c)(11) allows for a categorical exclusion if the following requirements have been satisfied:

- i. There is no significant change in the types or significant increase in the amounts of any effluents that may be released offsite.
- ii. There is no significant increase in individual or cumulative occupational radiation exposure.
- iii. There is no significant construction impact.
- iv. There is no significant increase in the potential for or no consequences from radiological accidents.

The above change is administrative in nature. There are no changes in the types of effluents nor are there any increases in the amounts of effluents. Occupational exposure is expected to remain the same. This change involves no additional construction activity. Therefore, there will be no construction impact.

The staff has determined that the proposed change does not adversely affect public health and safety or the environment and is categorically excluded from the requirement for an environmental review. Therefore, in accordance with 10 CFR 51.22(c)(11), neither an environmental assessment nor an environmental impact statement is warranted for this action.

CONCLUSION

The NRC staff finds that the requested amendment will not endanger life, property, common defense or security, and is in the public interest. Therefore, the staff recommends approving the request to amend Materials License SNM-124.

The inspection staff has no objection to this proposed action.

PRINCIPAL CONTRIBUTORS

Kevin Ramsey

