

[REDACTED]

August 11, 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 63 - REVIEW OF
PHYSICAL PROTECTION PLAN, REVISION 1, FOR THE NFS SITE
(TAC No. L31893)

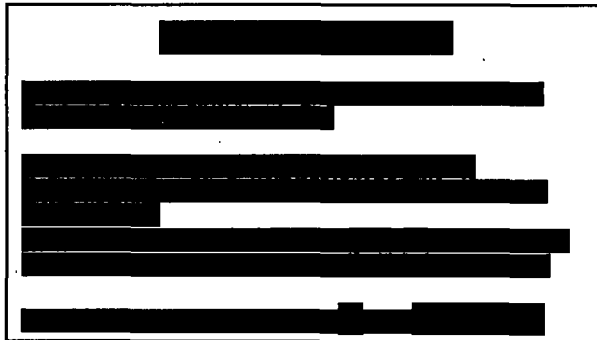
Dear Ms. Moore:

In accordance with your request dated May 9, 2005, Nuclear Fuel Services, Inc. (NFS No. 21-G-05-0001) and pursuant to Part 70 to Title 10 of the Code of Federal Regulations (CFR), the Nuclear Regulatory Commission (NRC) accepts your changes to your Physical Protection Plan, pursuant to Part 70.32(e). Accordingly, Safeguards Condition SG-6.1 has been revised to read as follows:

SG-6.1 The licensee shall follow the physical protection plan entitled "NFS Physical Protection Plan For Protection Of Category 1 High Enriched Uranium (Strategic Special Nuclear Material)," Revision 1, dated February 24, 2005 (NFS letter, 24Y-05-0001, May 9, 2005); and as it may be further revised in accordance with the provisions of 10 CFR 73.32(e).

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).



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B. Moore

2

During our review we noted that Revision 1 may not have been provided in a timely manner as required by 10CFR 73.45 and 73.46. We may review this issue in a future inspection.

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.

This letter contains sensitive, unclassified information, and is therefore deemed Official Use Only and will not be placed in the Public Document Room nor the Publicly Available Records component of the NRC's ADAMS document system.

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 63

Enclosures:

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



B. Moore

2
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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 63

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

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*See previous concurrence

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NAME	MLamastra*	VCheney*	JLubinski*	GJanosko
DATE	08/05/05	08/04/05	08/05/05	08/11/05

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DOCKET: 70-143

LICENSEE: Nuclear Fuel Services, Inc.
Erwin, Tennessee

SUBJECT: SAFEGUARDS EVALUATION REPORT - REVIEW OF PHYSICAL
PROTECTION PLAN, REVISION 1, FOR THE NFS SITE
(TAC No. L31893)

Background

By letter dated May 9, 2005, Nuclear Fuel Services, Inc. (NFS) provided changes to its Physical Protection Plan (PPP), Rev. 1, pursuant to 10 CFR 70.32(e). The NFS letter described administrative changes to the PPP which included updates for two drawings, adding an additional drawing, and incorporating minor wording changes.

Discussion and Conclusion

The staff review confirms that the changes submitted by NFS are administrative only and that none of the changes decrease the effectiveness of the physical security program implemented pursuant to 10 CFR 73.45 and 73.46. Therefore it was properly submitted pursuant to 10 CFR 70.32(e), and acceptable.

The inspection staff has no objection to this proposed action.

PRINCIPAL CONTRIBUTORS

Mike Lamastra
Al Garrett

Enclosure 2

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