January 13, 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 58 - ADMINISTRATIVE

CHANGES TO NFS AIR SAMPLING AND BIOASSAY PROGRAMS (TAC No.

L31847)

Dear Ms. Moore:

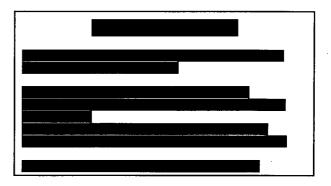
In accordance with your application dated September 20, 2004 (NFS No. 21-G-04-0146), and pursuant to Part 70 to Title 10 of the Code of Federal Regulations (CFR), Materials License SNM-124 is hereby amended to reflect revision to your air sampling and bioassay programs. Accordingly, Safety Condition S-1 has been revised to include the date September 20, 2004.

As stated in our letter dated November 1, 2004, we are also amending License Condition S-24, at this time, to reflect Revision 8 of your emergency plan as indicated by changes provided in your June 8, 2004, correspondence (NFS No. 21G-04-0085).

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 Julie Olivier of my staff at (301) 415-8098 or via e-mail to <u>jao@nrc.gov</u>.



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 58

Enclosures:

Materials License SNM-124
 Safety Evaluation Report

B. Marie Moore

2 January 13, 2005

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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 58

Enclosures:

Materials License SNM-124
 Safety Evaluation Report

CLOSES TAC NO. L31847

DISTRIBUTION:

FCFB r/f

D. Rich, SRI/NFS

K. Ramsey, FCFB

W. Gloerson, RII

M. Lamastra, FCFB

*See previous concurrence

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OFC:	FCFB	FCFB	FCFB	FCFB	FCFB
NAME:	M. Lamastra*	J. Olivier*	Muskiewicz*	M. Markley	G. Janosko
DATE:	01/ 03/05	01/ 07 /05	01/ 05/05	01/ 13 /05	01/13 /05

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DOCKET: 70-143

LICENSEE: Nuclear Fuel Services, Inc.

Erwin, Tennessee

SUBJECT: SAFETY EVALUATION REPORT FOR NUCLEAR FUEL SERVICES, INC. -

AMENDMENT 58 - ADMINISTRATIVE CHANGES TO NFS AIR SAMPLING

AND BIOASSAY PROGRAMS (TAC No. L31847)

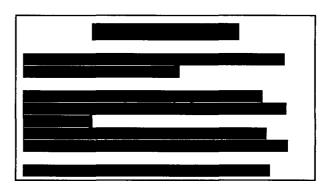
BACKGROUND

By letter dated September 20, 2004, Nuclear Fuel Services, Inc., (NFS) submitted revisions to their air sampling and bioassay programs

DISCUSSION

By letter dated September 20, 2004, NFS requested three changes to its radiation safety program. One to change its work-area air sampling in a manner commensurate with the information contained in Regulatory Guide 8.25, "Air Sampling in the Workplace." Currently, continuous sampling of airborne radioactivity in the work areas is required without regard to the potential concentration of airborne radioactivity that may actually be present. NFS requested a change to allow stationary air sampling used in a manner required by 10 CFR Part 20.1502 and Regulatory Guide 8.25. The proposed changes are considered administrative changes and acceptable because they provide compliance with the requirements of 10 CFR 20.1502.

NFS also requested that its bioassay program frequency be based on the specific activity of the material being used rather than the enrichment level. Normally, for fuel cycle facility, a higher enrichment will cause the material to have higher specific activity. However, since NFS is down blending uranium, the specific activity is no longer based solely on the enrichment. The staff has reviewed NFS proposed bioassay frequency and find that it is sufficient to meet NRC requirements.



The last change requested by NFS relates to ventilation requirements. Currently, NFS procedure references derived air concentration/annual limit on intake (DAC/ALI) in 10 CFR Part 20 Appendix B, Table II. However, NRC has authorized NFS to use the values calculated using International Commission on Radiological Protection ICRP Report 68. This request is considered a conforming administrative change and is acceptable.

ENVIRONMENTAL REVIEW

These changes are considered changes in process operations and do 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. here is no significant increase in the potential for or no consequences from radiological accidents.

The above changes are considered 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. These changes involve no additional construction activity. Therefore, there will be no construction impact.

The staff has determined that the proposed changes do not adversely affect public health and safety or the environment and are categorically excluded from the requirement to prepare a site-specific environmental assessment. 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 approves the amendment request to make administrative changes to NFS air sampling and bioassay program.

PRINCIPAL CONTRIBUTOR

Mike Lamastra