

March 4, 2008

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. – RESPONSE TO INTENT TO INCREASE
MATERIAL QUANTITY IN BUILDINGS NOT DESIGNATED AS MATERIAL
ACCESS AREAS

Dear Ms. Moore:

We have reviewed your letter dated January 15, 2008, stating your intent to increase the quantity of material processed outside of a Material Access Area. Before you proceed with this action, you must submit, for Nuclear Regulatory Commission (NRC) approval, a Fundamental Nuclear Material Control (FNMC) Plan addressing all of the applicable monitoring requirements in 10 CFR Part 74. We note that your FNMC Plan for High-Enriched Uranium currently exempts Nuclear Fuel Services, Inc. from certain requirements in Part 74, based on a commitment to limit the quantity of material in these areas to 350 grams of high-enriched uranium. Increasing this limit is a change requiring prior NRC approval.

Our review did not identify any specific concerns with physical protection or criticality safety.

If you have any questions concerning this letter, please contact me at (301) 492-3123, or via email to kmr@nrc.gov.

In accordance with 10 CFR 2.390 of the U.S. Nuclear Regulatory Commission's (NRC) "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Agency-wide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Sincerely,

/RA/

Kevin M. Ramsey, Project Manager
Fuel Manufacturing Branch
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

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