

[REDACTED]
December 26, 2006

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., ACCEPTANCE OF CHANGES TO
FUNDAMENTAL NUCLEAR MATERIAL CONTROL PLAN FOR LOW
ENRICHED URANIUM (TAC L31970) AND HIGH ENRICHED URANIUM
(TAC L31969)

Dear Ms. Moore:

We have reviewed the revisions to the Nuclear Fuel Services, Inc.'s (NFS's) Fundamental Nuclear Material Control (FNMC) Plan for special nuclear material (SNM) of Low Enriched Uranium (LEU), dated August 11, 2006 (NFS No. 30G-06-0675). Under the provisions of 10 CFR 70.32(c), the LEU submittal contains three sections that were revised. In Section 3 of the FNMC Plan, the critical procedures table was revised and one organizational change was made. In Section 4 of the FNMC Plan, the procedures for NFS audits of contractor's who have a Nuclear Regulatory Commission (NRC) license were revised. Section 6 of the FNMC Plan was revised to include several administrative corrections, and to incorporate [REDACTED].

In addition, we have reviewed the revisions to the NFS FNMC Plan for SNM of High Enriched Uranium (HEU), dated August 16, 2006 (NFS No. 30Y-06-0088). Under the provisions of 10 CFR 70.32(c), NFS submitted changes to all four sections of the FNMC Plan. Section 1 was revised to [REDACTED] and make minor changes. Section 2 was revised to [REDACTED]. Section 3 was revised to include information related to the [REDACTED] in Section 1, and to make minor changes. Section 4 was revised to reflect one organizational change.

The staff review confirms that the changes submitted by NFS meet the requirements of 10 CFR 70.32(c) in that none of the changes decrease the effectiveness of the Material Control and Accounting (MC&A) Program or the Measurement Control Program implemented, pursuant to 10 CFR Part 74, Subpart C for LEU and 10 CFR Part 74, Subpart E for HEU.

The dates of license condition S-1 and Safeguards License conditions SG-5.1 for HEU and SG-5.2 for LEU will be updated in a future license amendment. This letter closes TAC L31970 for LEU and TAC L31969 for HEU.

[REDACTED]

[REDACTED]

B. M. Moore

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If you have any questions concerning this letter, please contact Matt Bartlett at (301) 415-5754 or via e-mail to mab11@nrc.gov.

[REDACTED]

Sincerely,

/RA/

Kevin Ramsey, Project Manager
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

[REDACTED]

[REDACTED]

B. M. Moore

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If you have any questions concerning this letter, please contact Matt Bartlett at (301) 415-5754 or via e-mail to mab11@nrc.gov.

[REDACTED]

Sincerely,

/RA/

Kevin Ramsey, Project Manager
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
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Closes TAC L31970
Closes TAC L31969

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