July 27, 2005

Mr. Kerry Schutt, President and General Manager Nuclear Fuel Services, Inc. P.O. Box 337, MS 123 Erwin, TN 37650

SUBJECT: REPLY TO NOTICE OF VIOLATION 70-143/2004-207

Dear Mr. Schutt:

We have reviewed your reply to Notice of Violation 70-143/2004-207-05, dated July 1, 2005, and determined that you have adequately identified both the root cause of the violation and the corrective actions to prevent recurrence as well as the date when compliance will be achieved. This violation will remain open until we have verified implementation of your corrective actions during a future inspection.

If you have any questions, please contact Lawrence Berg, of my staff, at (301) 415-6215.

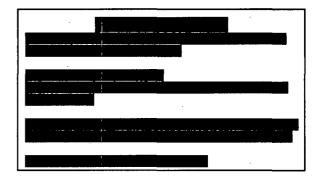
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Sincerely,

/RA/

Melanie A. Galloway, Chief Technical Support Group Division of Fuel Cycle Safety and Safeguards, NMSS

Docket No. 70-143 License No. SNM-124



July 27, 2005

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Melanie A. Galloway, Chief Technical Support Group Division of Fuel Cycle Safety and Safeguards, NMSS

Docket No. 70-143 License No. SNM-124

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