

[REDACTED]

April 12, 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 70-143/2004-207-01, dated March 4, 2005, and your reply to Notice of Violation 70-143/2004-207-06, dated March 10, 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. These violations will remain open until we have verified implementation of your corrective actions during a future inspection.

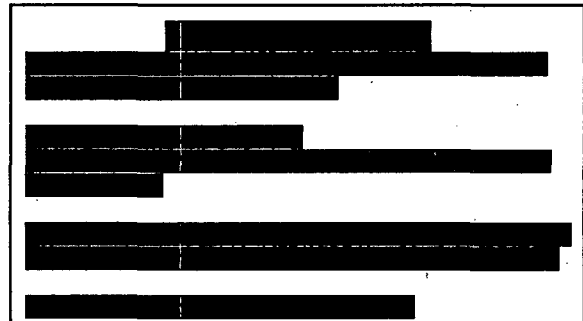
We also acknowledge receipt of your response to Notice of Violation 70-143-2004-207-05, dated March 10, 2005, in which you dispute the violation. Your response is currently under review and we will provide a written response to you within 90 days of the date of this letter. If you have any questions, please contact Lawrence Berg, of my staff, at (301) 415-6215.

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



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