

[REDACTED]

February 6, 2007

EA-03-132

Ms. B. Marie Moore, Vice President
Safety and Regulatory
Nuclear Fuel Services, Inc.
P.O. Box 337, MS 123
Erwin, TN 37650

SUBJECT: STATUS OF THE U.S. NUCLEAR REGULATORY COMMISSION'S ACTION ON
NUCLEAR FUEL SERVICES, INC.'S COMPLIANCE WITH THE [REDACTED]
[REDACTED] ORDER

Dear Ms. Moore:

Based on the U.S. Nuclear Regulatory Commission's (NRC's) review and inspection, the staff has determined that Nuclear Fuel Services, Inc. (NFS) is in compliance with the reporting requirements of the February 2003 [REDACTED] Order. NFS appropriately concluded that it has no [REDACTED] and has adequately implemented the Order requirements. A brief summary of activities that supported this determination follows.

In February 2003, the NRC issued Orders to Category III fuel cycle licensees, directing each licensee to implement the [REDACTED] at their facilities. NFS did not receive an Order at that time because an amendment authorizing operation of a new Category III complex was still pending. In a letter dated February 11, 2003, the NRC provided NFS with a copy [REDACTED] for its information, and use in designing the new complex. NFS responded on March 25, 2003, indicating its intention to comply [REDACTED], also providing an implementation plan. On June 17, 2003, NFS supplemented its response and provided its analysis [REDACTED]. On July 3, 2003, NFS reported that implementation was complete, consented to issuance of an Order, and waived its right to a hearing. On July 8, 2003, the NRC issued a Confirmatory Order [REDACTED] that was effective upon issuance.

On November 3, 2003, NFS submitted a revision of its Physical Protection Plan and an analysis [REDACTED].

On July 13, 2004, NFS committed to full compliance with the Order before introducing licensed material into the new buildings.

The NRC performed an inspection at NFS, facility and your actions in this matter, to determine compliance with [REDACTED] Order. Inspection Report No. 70-143/2006-005, dated May 17, 2006, documented that there were no violations identified during the inspection.

On October 3, 2006, the NRC held a teleconference with Michael Warren of your staff, and provided a status of NRC's actions in this matter.

[REDACTED]

[REDACTED]

B. M. Moore

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Notwithstanding any provisions of the Commission's regulations to the contrary, all measures implemented, or actions taken in response to [REDACTED] requirements, shall be maintained until the Commission orders otherwise, or until the Commission explicitly modifies its regulations, and states in modifying its regulations, that the revisions are to supercede the [REDACTED] Order. The implemented measures or actions taken are subject to further inspection, to verify that the [REDACTED] requirements are maintained.

If you have any questions concerning this letter, please contact me by phone at (301) 415-7887, or via email to kmr@nrc.gov.

[REDACTED]

Sincerely,

/RA/

Kevin Ramsey, Project Manager
Fuel Facility Licensing Directorate
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

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

[REDACTED]

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B. M. Moore

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/RA/

Kevin Ramsey, Project Manager
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Docket No.: 70-143
License No.: SNM-124

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