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Department of Energy
Washington, DC 20585

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NR:EXT:PACard V001 14321
July 17, 2001

Timothy F. Hagan
Director, Division of Facilities and Security
Office of Administration
U.S. Nuclear Regulatory Commission

COGNIZANT SECURITY AGENCY RESPONSIBILITIES FOR NUCLEAR FUEL SERVICES (NFS) IN ERWIN, TENNESSEE

Reference: (a) NRC Timothy Hagan letter of January 4, 2001 to Naval Reactors Patrick Card

Reference (a) is your letter to the Office of Naval Reactors (NR-1) requesting U.S. Department of Energy (DOE) acceptance of Cognizant Security Agency (CSA) responsibility for U.S. Nuclear Regulatory Commission (NRC) interest in the protection of classified information at Nuclear Fuel Services (NFS) in Erwin, Tennessee. NRC interest was established by a NRC license and involves the receipt and storage of classified information up to and including SECRET NATIONAL SECURITY INFORMATION. Per previous agreements, the Naval Reactors Program has exercised CSA responsibility at this NRC-licensed facility in the past. NFS currently has a SECRET level DOE facility security clearance under Schenectady Naval Reactors Office (SNR).

SNR will continue to accept CSA responsibility for NRC interest in the protection of classified information at NFS. SNR will advise the NRC, in advance, if the facility clearance of NFS is to be discontinued, suspended, or terminated.

SNR conducts inspections involving NRC interest in accordance with DOE regulations, and they are not substantially different from 10CFR25 and 10CFR95. During the period April 30, 2001 through May 3, 2001 an inspection of NFS was conducted by SNR with an overall rating of Satisfactory. A copy of that survey is enclosed for your information. SNR will review NRC classified information interests during each security inspection and will continue to advise the NRC in writing of the results.

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If additional information is needed, please contact SNR George G. Stefani, Jr. at (510) 395-6397.


P. A. Card
Naval Reactors

Attachment

Copy to:
Manager, SNR

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