

October 15, 2010

Ms. Debra G. Shults, Acting Director  
Division of Radiological Health  
Tennessee Department of Environment & Conservation  
3<sup>rd</sup> Floor, L&C Annex  
401 Church Street  
Nashville, Tennessee 37243-1532

SUBJECT: DRAFT ENVIRONMENTAL ASSESSMENT AND DRAFT FINDING OF  
NO SIGNIFICANT IMPACT FOR PROPOSED RENEWAL OF U.S. NUCLEAR  
REGULATORY COMMISSION LICENSE NO. SNM-124 FOR NUCLEAR FUEL  
SERVICES, INC.

Dear Ms. Shults:

The U.S. Nuclear Regulatory Commission (NRC) staff is in the process of reviewing a request from Nuclear Fuel Services, Inc. (NFS) to renew its NRC special nuclear materials license number SNM-124 for the NFS fuel fabrication facility in Erwin, Tennessee. As part of its review of the NFS request, the NRC staff has prepared the enclosed Draft Environmental Assessment (EA) and Draft Finding of No Significant Impact (FONSI), in accordance with the National Environmental Policy Act of 1969 (NEPA), and NRC's NEPA implementing regulations in Title 10 of the Code of Federal Regulations (10 CFR), Part 51.

The Draft EA and Draft FONSI are being issued for public review and comment based on the NRC staff determination that: (1) the NFS proposed action to renew License SNM-124 for 40 years is without precedent, because, if granted, this would be the first 40-year license renewal for a Category I nuclear fuel fabrication facility, and (2) the preparation of a Draft EA and Draft FONSI will further the purposes of NEPA. The NRC staff issued the Draft EA and Draft FONSI for a 30-day public comment period, beginning on Friday, October 15, 2010, and to conclude on Saturday, November 13, 2010. The NRC staff respectfully requests the State of Tennessee's review and comment on these two documents by November 13, 2010, if possible. Comments should be submitted either by mail to the Chief, Rules, Announcements, and Directives Branch, Division of Administrative Services, Office of Administration, Mailstop TWB-05-B01M, Washington, DC 20555-0001, or by e-mail to [NuclearFuel\\_DraftEA@nrc.gov](mailto:NuclearFuel_DraftEA@nrc.gov).

The NRC staff plans to hold a public meeting to discuss the contents and receive public comments on the Draft EA and Draft FONSI on Tuesday, October 26, 2010, at the Erwin Town Hall, 211 North Main Avenue, Erwin, Tennessee 37650. The meeting will convene at 6:00 p.m. and will continue until 9:00 p.m. The meeting will be transcribed. Additionally, the NRC staff will host informal discussions in an open house forum one hour before the start of the meeting, during which members of the public may meet and talk with NRC staff members. You and other staff of the Tennessee Department of Environment & Conservation are invited to attend.

D. Shults

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If you have any questions about the Draft EA or Draft FONSI, please contact Mr. James Park of my staff. Mr. Park can be reached by telephone at 301-415-6935 or by electronic mail at [James.Park@nrc.gov](mailto:James.Park@nrc.gov).

Sincerely,

**/RA/**

Diana Diaz-Toro, Branch Chief  
Environmental Review Branch A  
Environmental Protection  
and Performance Assessment Directorate  
Division of Waste Management  
and Environmental Protection Office  
Federal and State Materials  
and Environmental Management Programs

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

Enclosures: 1. Draft EA  
2. Draft FONSI

cc (with enclosures):

Marcus Hammon, Manager  
Environmental Monitoring Section  
Tennessee Division of Radiological Health  
Tennessee Department of Environmental & Conservation  
3<sup>rd</sup> Floor, L & C Annex  
401 Church Street  
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Diana Diaz-Toro, Branch Chief  
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OFFICE	DWMEP	DWMEP	DWMEP
NAME	JPark	AWalker-Smith	DDiaz-Toro
DATE	10/14/10	10/15/10	10/15/10

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