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UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION II  
245 PEACHTREE CENTER AVENUE NE, SUITE 1200  
ATLANTA, GEORGIA 30303-1257

April 15, 2015

Mr. Joel Duling  
President  
Nuclear Fuel Services, Inc.  
P.O. Box 337, MS 123  
Erwin, TN 37650

SUBJECT: NUCLEAR FUEL SERVICES, INC. – U.S. NUCLEAR REGULATORY  
COMMISSION PHYSICAL SECURITY INSPECTION REPORT NO.  
70-143/2015402

Dear Mr. Duling:

This letter refers to the onsite inspection conducted from April 6 – 9, 2015, at your Erwin, Tennessee facility. The purpose of the inspection was to determine whether activities authorized by the licensee were conducted safely, and in accordance with U.S. Nuclear Regulatory Commission (NRC) requirements. At the conclusion of the inspection, the findings were discussed with you and other members of your staff.

Areas examined during the inspection included physical security plan and implementing procedures, safeguard contingency plan implementation review, security program audit, and security organization. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations of activities in progress. There were no violations identified.

In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) 2.390, "Public inspections, exemptions, requests for withholdings," of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room, or from the Publicly Available Records (PARS) component of NRC's Agencywide Documents Access and Management System (ADAMS); accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

However, the material enclosed herein contains Security-Related Information in accordance with 10 CFR 2.390(d)(1), and its disclosure to unauthorized individuals could present a security vulnerability. Therefore, the material in the Enclosure will not be made available electronically.

~~Enclosure(s) transmitted herewith contain(s) SUNSI. When separated from Enclosure(s), this transmittal document is decontrolled.~~

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Should you have any questions concerning this letter, please contact us.

Sincerely,

*/RA/*

Binoy B. Desai, Chief  
Plant Support Branch 2  
Division of Reactor Safety

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

~~Enclosure:-  
NRC Inspection Report 07000143/2015402  
w/Attachment:- Supplementary Information  
(OUO)~~

cc: (See page 3)

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Binoy B. Desai, Chief  
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**(OUO)**

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