



~~OFFICIAL USE ONLY – SECURITY RELATED INFORMATION~~

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

November 5, 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.  
07000143/2015405

Dear Mr. Duling:

This letter refers to the onsite inspections that were conducted from October 5–6 and October 26–30, 2015, at your Erwin, Tennessee facility. The purpose of the inspections were 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 inspections, the findings were discussed with you and other members of your staff.

Areas examined during the inspections included access control measures for controlled areas, protected area and owner controlled area, protected area detection systems, and information protection programs for protecting safeguards and classified information. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observation of activities in progress. Based on the results of the inspection, no violations were 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 "Agency Rules of Practice and Procedure," 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

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If you choose to provide a response and Security-Related Information is necessary to provide an acceptable response, please mark your entire response "Security-Related Information - Withhold from public disclosure under 10 CFR 2.390," in accordance with 10 CFR 2.390(d)(1), and follow the instructions for withholding in 10 CFR 2.390(b)(1). In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response.

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 No. 07000143/2015405~~  
~~w/Attachment: Supplementary Information (OUO)~~

cc: (See page 3)

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cc:

Richard A. Freudenberger  
Director  
Quality, Safety & Safeguards  
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