



~~OFFICIAL USE ONLY – SECURITY-RELATED INFORMATION~~

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II

245 PEACHTREE CENTER AVENUE NE, SUITE 1200
ATLANTA, GEORGIA 30303-1257

June 15, 2016

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. 70-143/2016-402

Dear Mr. Duling:

This letter refers to the onsite inspections conducted at your Erwin, Tennessee facility from May 23 -26, 2016. 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/or other members of your staff.

Areas examined during the inspection included physical barriers for material access areas (MAAs) and controlled access areas (CAAs), detection aids for MAA's and CAA's and, fitness-for-duty program. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations of activities in progress. No violations of NRC requirements were identified.

The letter and its enclosure contains sensitive unclassified security-related information, and its disclosure to unauthorized individuals could present a security vulnerability. Therefore, in accordance with 10 CFR 2.390(d)(1), this letter and its enclosure will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), which is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) 2.390, "Public inspections, exemptions, requests for withholding," 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).

| |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The enclosure contains Sensitive Unclassified Non Safeguards Information (Security-Related Information). Upon separation, this cover letter is DECONTROLLED. |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|

~~OFFICIAL USE ONLY – SECURITY-RELATED INFORMATION~~

J. Duling

2

If you have any questions, please contact me at 404-997-4519.

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 70-143/2016-402
~~w/Attachment: Supplementary Information~~

cc:
Michael McKinnon
Director Operations
Nuclear Fuel Services, Inc.
Electronic Mail Distribution

Richard A. Freudenberger
Director
Quality, Safety & Safeguards
Nuclear Fuel Services, Inc.
Electronic Mail Distribution

Debra G. Shults
Director, TN Dept. of Environment & Conservation
Electronic Mail Distribution

J. Duling

If you have any questions, please contact me at 404-997-4519.

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 07000143/2016402
w/Attachment: Supplementary Information

cc:
Michael McKinnon
Director Operations
Nuclear Fuel Services, Inc.
Electronic Mail Distribution

Richard A. Freudenberger
Director
Quality, Safety & Safeguards
Nuclear Fuel Services, Inc.
Electronic Mail Distribution

Debra G. Shults
Director, TN Dept. of Environment & Conservation
Electronic Mail Distribution

DISTRIBUTION:

C. Erlanger, NSIR
E. Wharton, NSIR
N. Simonian, NSIR
D. Garner, NSIR

R. Johnson, NMSS
K. Ramsey, NMSS
D. Ditto, NMSS
M. Sykes, RII

C. Rivera, RII
C. Stancil, RII
RIDSNNRRDIRS

PUBLICLY AVAILABLE NON-PUBLICLY AVAILABLE SENSITIVE NON-SENSITIVE
ADAMS: Yes ACCESSION NUMBER:ML16167A160 SUNSI REVIEW COMPLETE FORM 665 ATTACHED

| | | | | | | | |
|--------------|-----------|----------|----------|----------|----------|----------|----------|
| OFFICE | RII:DRS | | | | | | |
| SIGNATURE | /RA/ | | | | | | |
| NAME | BDesai | | | | | | |
| DATE | 6/15/2016 | 6/ /2016 | 6/ /2016 | 6/ /2016 | 6/ /2016 | 6/ /2016 | 6/ /2016 |
| E-MAIL COPY? | YES NO | YES NO | YES NO | YES NO | YES NO | YES NO | YES NO |

OFFICIAL RECORD COPY DOCUMENT NAME: G:\DRSI\PSBII\FUEL FACILITIES\NFS\REPORTS\2016\NFS 2016-402
PUBLIC LETTER.DOCX