



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

UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION II

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

May 11, 2017

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 70-143/2017-404

Dear Mr. Duling:

This letter refers to the onsite inspection conducted from April 10 - 13, 2017 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 inspection results were discussed with Mr. T. Evans and other members of your staff.

Areas examined during the inspection included physical protection 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 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).

This letter and the enclosed report contain Sensitive Unclassified Information, and will not be available for public inspection in the NRC Public Document Room, or from the Publicly Available Records (PARS) components of NRC's Agencywide Documents Access and Management System (ADAMS).

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

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

Sincerely,

*/RA/*

James Shehee, Acting Chief  
Plant Support Branch 2  
Division of Reactor Safety

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

~~Enclosure: NRC Inspection Report 70-143/2017-404~~  
~~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

J. Duling

SUBJECT: NUCLEAR FUEL SERVICES, INC. – U.S. NUCLEAR REGULATORY  
COMMISSION PHYSICAL SECURITY INSPECTION REPORT 70-143/2017-404

**DISTRIBUTION:**

- C. Erlanger, NSIR
- K. Ramsey, NMSS
- C. Rivera-Crespo, RII
- D. Garner, NSIR
- RIDSNRRDIRS
- E. Wharton, NSIR
- N. Simonian, NSIR
- R. Johnson, NMSS
- M. Sykes, RII
- C. Stancil, RII
- D. Ditto, NMSS
- L. Pitts, RII

PUBLICLY AVAILABLE       NON-PUBLICLY AVAILABLE       SENSITIVE       NON-SENSITIVE

ADAMS:  Yes      ACCESSION NUMBER: ML17131A002       SUNSI REVIEW COMPLETE       FORM 665 ATTACHED

OFFICE	RII:DRS						
SIGNATURE	/RA/						
NAME	JShehee						
DATE	5/11/2017	5/ /2017	5/ /2017	5/ /2017	5/ /2017	5/ /2017	5/ /2017
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

OFFICIAL RECORD COPY  
PUBLIC LETTER.DOCX

DOCUMENT NAME: G:\DRS\I\PSBI\FUEL FACILITIES\NFS\REPORTS\2017\NFS 2017-404