



~~OFFICIAL USE ONLY – SECURITY RELATED INFORMATION~~

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

February 8, 2018

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.  
70-143/2018-403

Dear Mr. Duling:

This letter refers to the onsite inspection conducted from January 22-25, 2018, 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 results were discussed with members of your staff.

Areas examined during the inspection consisted of personnel, material, and vehicle access control measures for the owner controlled area, protected area, material access areas, and vaults. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations of activities in progress.

Thank you for your letter, Reply to Notice of Violation No. 70-143/2017-401, dated January 24, 2018. The NRC staff has evaluated your reply to the violation and documented the results in the subject inspection report.

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.

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2

This letter, and the enclosed inspection 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).

Should you have any questions concerning this letter, please contact us at 404-997-4519.

Sincerely,

*/RA/*

Binoy Desai, Chief  
Plant Support Branch  
Division of Reactor Safety

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

~~Enclosure:-  
NRC Inspection Report 70-143/2018-403  
-w/Attachment: Supplemental Information-  
-(OUO)~~

cc: (See page 3)

J. Duling

3

cc:

Michael McKinnon  
Director Operations  
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Debra G. Shults  
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David W. Deming  
Manager, Program Field Office – NFS  
Naval Nuclear Laboratory  
1205 Banner Hill Rd  
Erwin, TN 3765

J. Duling

SUBJECT: NUCLEAR FUEL SERVICES, INC. – U.S. NUCLEAR REGULATORY  
COMMISSION PHYSICAL SECURITY INSPECTION REPORT NO.  
70-143/2018-403

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