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

May 21, 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. 70-143/2018-404

Dear Mr. Duling:

This letter refers to the onsite inspection conducted from April 30 – May 3, 2018, regarding your Erwin, Tennessee facility. The purpose of the inspection was to determine whether activities authorized by the license were conducted safely, and in accordance with the U.S. Nuclear Regulatory Commission's (NRC's) requirements. At the conclusion of the onsite inspection, the findings were discussed members of your staff.

Areas examined during the inspection consisted of strategic special nuclear material controls, protection of national security information and restricted data, and security systems testing and maintenance programs. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations of activities in progress.

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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J. Duling

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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).

Sincerely,

/RA/

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

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

Enclosure:-
~~NRC Inspection Report 70-143/2018-404~~
~~w/Attachment: Supplemental Information~~
~~(OUO)~~

cc: (See page 3)

J. Duling

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cc:

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J. Duling

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COMMISSION PHYSICAL SECURITY INSPECTION REPORT
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