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UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II

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

May 10, 2019

Mr. John Stewart, President
Nuclear Fuel Services, Inc.
P.O. Box 337, MS 123
Erwin, TN 37650

SUBJECT: NUCLEAR FUEL SERVICES, INC. - U.S. NUCLEAR REGULATORY
COMMISSION INSPECTION REPORT 70-143/2019-401

Dear Mr. Stewart:

The U.S. Nuclear Regulatory Commission (NRC) conducted a routine inspection of the Material Control and Accounting (MC&A) safeguards program at the Nuclear Fuels Services (NFS) facility in Erwin, Tennessee from April 8-11, 2019. The purpose of this inspection was to determine whether activities authorized by your license were conducted safely and in accordance with NRC requirements. The enclosed report presents the results of the inspection, that were discussed with you and members of your staff, during an exit meeting held at the conclusion of the inspection on April 11, 2019.

This inspection examined activities conducted under your license as they relate to public health and safety, the common defense and security, and to confirm compliance with the Commission's rules, regulations, and the conditions of your license. Areas examined during this inspection included management structure, item monitoring, process monitoring, measurement systems and control, physical inventory, internal control, alarm resolution, assessment, and recordkeeping. Within these areas, the inspection consisted of performance tests, selective examinations of procedures and representative records, interviews with personnel, and observations of activities in progress. Based on the results of the inspection, no violations of more than minor significance were identified.

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

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J. Stewart

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Should you have any questions concerning this report, please contact Thomas A. Grice at 404-997-4477, or via e-mail at thomas.grice@nrc.gov.

Sincerely,

/RA/

Robert Williams, Chief
Projects Branch 1
Division of Fuel Facility Inspection

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

Enclosure:
~~NRC Inspection Report 70-143/2019-401~~
~~-w/ Attachment: Supplemental Information~~

cc: See page 3

J. Stewart

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cc:

Jon A. Hagemann
Operations Director
Nuclear Fuel Services, Inc.
Electronic Mail Distribution

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

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SUBJECT: NUCLEAR FUEL SERVICES, INC. - U.S. NUCLEAR REGULATORY
COMMISSION INSPECTION REPORT 70-143/2019- dated May 10, 2019

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*See previous page for concurrence

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