



ENCLOSURES TRANSMITTED HERewith  
 CONTAIN 10 CFR 2.790 INFORMATION  
 UNITED STATES  
 NUCLEAR REGULATORY COMMISSION  
 REGION I  
 631 PARK AVENUE  
 KING OF PRUSSIA, PENNSYLVANIA 19406

2 JUL 1981

Docket No. 50-201

Nuclear Fuel Services, Incorporated  
 Attention: R. W. Deuster  
 President  
 Suite 600  
 6000 Executive Boulevard  
 Rockville, Maryland 20852



Gentlemen:

Subject: Inspection 50-201/81-02

This refers to the routine physical protection inspection conducted by Mr. R. H. Ladun of this office on April 6 - 10, 1981 of activities authorized by NRC License No. CSI 1 and to the discussions of our findings held by Mr. Ladun with Messrs. J. Duckworth and G. Kitchen of your staff at the conclusion of the inspection.

Areas examined during this inspection are described in the Office of Inspection and Enforcement Inspection Report which is enclosed with this letter. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector.

Our inspector also verified the steps you have taken to correct the item of noncompliance brought to your attention in the enclosure to our letter dated September 21, 1979. We have no further questions regarding your action at this time.

In addition, our inspector discussed with your West Valley, New York, staff the item of noncompliance brought to your attention in the enclosure to our letter dated June 17, 1980. As a result of information provided in your July 1, 1980 letter, we have rescinded the item of noncompliance discussed in our June 17, 1980 letter. Your enforcement history will be corrected accordingly. We regret any inconvenience this matter may have caused you.

Within the scope of this inspection, no items of noncompliance were observed.

In accordance with Section 2.790(d) of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, documentation of findings of your control and accounting procedures for safeguarding special nuclear materials and your facility security measures for physical protection are deemed to be

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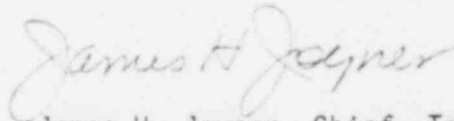
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commercial or financial information within the meaning of 10 CFR 9.5(a)(4) and shall be subject to disclosure only in accordance with the provisions of 10 CFR 9.12; therefore, the enclosed inspection report will not be placed in the Public Document Room and will receive limited distribution.

No reply to this letter is required; however, should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,



James H. Joyner, Chief, Technical  
Inspection Branch, Division of  
Engineering and Technical Inspection

Enclosure: Office of Inspection and Enforcement  
Inspection Report Number 50-201/81-02 (Contains  
2.790(d) information)

cc(w/o copy of encl):  
J. P. Duckworth, General Manager

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