DEC 28 1981

Nuclear Fuel Services, Inc. ATTN: Mr. W. C. Manser, Jr. General Manager Erwin, TN 37650

Gentlemen:

Subject: Report No. 70-143/81-28

This refers to the routine safety and safeguards inspection conducted by Mr. T. D. Lee of this office on October 7 - November 3, 1981, of activities authorized by NRC License No. SNM-124 for the Erwin facility and to the discussion of our findings held with you and members of your staff at the conclusion of the inspection.

Areas examined during the inspection and our findings are discussed in the enclosed inspection report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector.

Within the scope of this inspection, no violations or deviations were disclosed.

The material transmitted herewith contains Safeguards Information which is exempted from public disclosure by 10 CFR 2.790(d) or 10 CFR 73.21 as indicated by the markings thereon. Therefore, with the exception of the report cover page, which is an inspection summary, the enclosures to this letter will not be placed in the NRC Public Document Room.

Should you have any questions concerning this letter, we will be glad to discuss them with you.

Sincerely,

ENCLOSURE CONTAINS
SAFEGUARDS INFORMATION.
UPON SEPARATION THIS
PAGE IS DECONTROLLED.

Albert F. Gibson, Chief Technical Inspection Branch Division of Engineering and Technical Inspection

Enclosure: See Page 2

WARNING
UNAUTHORIZED DISCLOSURE IS PROHIBITED,
SECTION 147 ATOMIC ENERGY ACT 1954
AND 10 CFR 73.21 VIOLATIONS SUBJECT
TO CIVIL AND CRIMINAL SANCTIONS AFEGUARDS INFORMATION

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Nuclear Fuel Services, Inc.

Enclosure: Inspection Report No. 70-143/81-28

bcc w/o encl: License Fee Management Branch

bcc w/encl: NRC Resident Inspector Document Management Branch State of Tennessee

> ENCLOSURE CONTAINS SAFEGUARDS INFORMATION. UPON SEPARATION THIS PAGE IS DECONTROLLED.

RII

TBkee ht 12/2/81

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EJMcAlpine 12/24/81

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GPE dAVE 11 12/2/81

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