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To: [Morie, Amaryl A](#)
Cc: [Harris, Tim](#); [Smith, Otis](#)
Subject: Follow-up on NFS Cat. II/III PPP RAI Responses
Date: Tuesday, September 15, 2020 11:07:00 AM

Hi Amaryl,

The U.S. Nuclear Regulatory Commission (NRC) staff has reviewed the Nuclear Fuel Services, Inc. (NFS) letter, dated August 21, 2020, that provided responses to the NRC request for additional information (RAIs) on the Category (Cat.) II and III Physical Protection Plans (PPPs). The responses deviate from the path forward discussed during our teleconference on July 21, 2020 and, in some cases, further clarification is needed. Here are the results of the NRC staff's review:

NFS Response to RAI #1 – the response is acceptable.

NFS Response to RAI #2 – further clarification is needed. Safeguards Condition (SG) 3.4 of special nuclear material (SNM) License 124, requires notification of the NRC at least 90 days prior to implementation of the fixed site security provisions of the Cat. II PPP (i.e., Chapters 1-6). In that situation, would NFS also submit a revision to the Cat. II PPP to make it a stand-alone document that reflects changes to the security posture of the facility (i.e., likely eliminate references to the Cat. I PPP)? If so, adding corresponding language to license condition SG-3.4 seems appropriate and would resolve the issue raised by the NRC staff.

NFS Response to RAI #3 – further clarification is needed. Is NFS currently applying the Cat. III PPP to locations inside the protected area (PA)? To satisfy the requirements of 10 CFR 73.67(c), it would be acceptable for the Cat. III PPP to state that the Cat. I PPP is applicable to the protection of SNM of low strategic significance within the PA. Is NFS currently applying the Cat. III PPP to locations outside the PA? In accordance with 10 CFR 73.67(c), for areas outside of the PA that have 10 kg or more of SNM of low strategic significance, the Cat. III PPP is required to explicitly demonstrate compliance with 10 CFR 73.67(f) (i.e., as a stand-alone document since the Cat. I PPP is not applicable outside the PA). The NRC staff remains unclear on which provisions of the Cat. III PPP apply inside the PA and which are applicable outside of the PA. For example, the NFS letter dated November 28, 2018 (24G-18-0029) discusses corrective actions that were taken to address NRC Violation 70-142/2018411-01. The Cat. III PPP appears applicable to the material referenced in the letter, however the NRC staff is unclear how NFS demonstrates compliance with 10 CFR 73.67(f) and maintains the licensing basis commitment to the corrective actions that allowed the NRC to close the referenced violation.

Please let me know if you have any questions.

-James