



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

November 9, 2021

Mr. Timothy Knowles, Director
Safety and Safeguards
Nuclear Fuel Services, Inc.
1205 Banner Hill Road
Erwin, TN 37650

SUBJECT: AMENDMENT 16 – APPROVAL OF REQUEST FOR EXEMPTION FROM CERTAIN FORCE-ON-FORCE EXERCISE REQUIREMENTS (ENTERPRISE PROJECT IDENTIFIER L-2021-SPR-0007)

Dear Mr. Knowles:

This refers to letter 21G-21-0145 dated September 14, 2021 (Agencywide Documents Access and Management System [ADAMS] Accession No. ML21260A244), as supplemented by letter 21G-21-0155 dated October 14, 2021 (ADAMS Accession No. ML21307A164), in which Nuclear Fuel Services, Inc. (NFS) requested approval of an exemption from certain provisions of Title 10 of the *Code of Federal Regulations* (10 CFR), Paragraph 73.46(b)(9). Specifically, due to the impacts of COVID-19 in Erwin, Tennessee, NFS requested an exemption from the requirements that pertain to the annual observation of a force-on-force (FOF) exercise by the U.S. Nuclear Regulatory Commission (NRC) and the conduct of the remaining FOF exercises during the current 12-month period ending December 31, 2021.

The NRC staff has completed its review and determined that issuance of this exemption and license amendment is authorized by law, will not endanger life or property or the common defense and security, and is in the public interest.

Pursuant to 10 CFR Part 70, "Domestic Licensing of Special Nuclear Materials," Materials License SNM-124 is hereby amended to add Condition SG-3.8 as follows:

SG-3.8 Notwithstanding the requirements of 10 CFR 73.46(b)(9), the licensee is exempt from conducting force-on-force exercises through December 31, 2021; after that date, the licensee shall resume exercises at their regular frequency.

Furthermore, the licensee commits to communicating with the NRC to reschedule the annual observed exercise on a mutually agreeable date during the 1st Quarter of calendar year 2022.

All other license conditions shall remain the same.

Documents transmitted by this letter contain **Security-Related Information**. When separated from Enclosure 2, this letter and Enclosures 1 & 3 are decontrolled.

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T. Knowles

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Enclosures 1 and 2 to this letter provide the amended Materials License SNM-124. The NRC staff's review is documented in the Safeguards Evaluation Report, which is Enclosure 3 to this letter. This letter concludes action on the referenced submittals, and Enterprise Project Identifier L-2021-SPR-0007 is considered **CLOSED**.

Enclosure 2 contains security-related information. Accordingly, it is marked as Official Use Only and is withheld from public disclosure. When separated from the sensitive enclosure, this letter, Enclosure 1, and Enclosure 3 are decontrolled and publicly available, in accordance with 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, Enclosure 1, and Enclosure 3 will be available electronically for public inspection in the NRC Public Document Room (PDR) or from the Publicly Available Records System component of ADAMS. The PDR is currently closed. You may submit your request to the PDR via e-mail at PDR.Resource@nrc.gov or call 1-800-397-4209 between 8:00 a.m. and 4:00 p.m. (EST), Monday through Friday, except Federal holidays. The ADAMS database is accessible from the NRC website at <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions regarding this matter, please contact James Downs of my staff at 301-415-7744 or by email to James.Downs@nrc.gov.

Sincerely,

Jacob I. Zimmerman, Chief
Fuel Facility Licensing Branch
Division of Fuel Management
Office of Nuclear Material Safety
and Safeguards

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

Enclosures:

1. Amendment 16 to Materials License SNM-124
2. Amendment 16 to Materials License SNM-124 (Non-Public)
3. Safeguards Evaluation Report

cc: nfs@listmgr.nrc.gov

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