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

March 14, 2022

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

SUBJECT: WITHDRAWAL OF CLASSIFIED CONFIRMATORY ORDER REQUIRING THE
IMPLEMENTATION OF ADDITIONAL PHYSICAL PROTECTION MEASURES
PURSUANT TO 10 CFR 73.46(a)

Dear Mr. Knowles:

On July 20, 2000, as a result of an analysis by what today is known as the National Nuclear Security Administration's Office of Nuclear Threat Science (NA-82), the U.S. Nuclear Regulatory Commission (NRC) issued a confirmatory order (not publicly available due to classified information contained therein) requiring the implementation of additional physical protection measures pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) Section 73.46(a). A section of that confirmatory order required Nuclear Fuel Services, Inc. (NFS) to take additional measures to protect specific material types with the implementation of process control limits (PCLs). Additionally, the commitments in the order required modifications to the site physical protection plan, guard training and qualification plan, and safeguards contingency plan commensurate with a revised physical protection program strategy to protect against a specific scenario of concern.

On July 26, 2021, NA-82 provided the NRC staff with a revised analysis (not publicly available due to classified information contained therein) that confirmed the specific scenario of concern addressed by the confirmatory order issued on July 20, 2000, is no longer present. Based on the enclosed Assessment of PCL Order Requirements (not publicly available due to classified information contained therein), the NRC staff has determined that the referenced confirmatory order may be withdrawn and that an adequate protective strategy remains in place to address additional scenarios of concern which are not the basis of the confirmatory order.

The strategy to address those additional scenarios of concern continues to be enforceable through commitments in licensing basis documents referenced by NRC license conditions. In accordance with 10 CFR 70.32(e) and 70.32(g), NFS must request a license amendment for any change to a security plan (i.e., site physical protection plan, guard training and qualification plan, and safeguards contingency plan) that could cause a decrease in effectiveness, including to the physical protection program strategy. The enclosed Assessment of PCL Order Requirements can be used as a reference for assessing potential changes to a security plan.

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T. Knowles

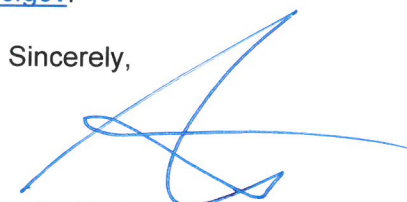
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For the reasons set forth in the enclosed staff assessment, the NRC has determined that there is good cause to withdraw the referenced confirmatory order because the specific scenario of concern addressed by the order is no longer present at NFS. Accordingly, effective immediately, the NRC is withdrawing the referenced confirmatory order for NFS.

The confirmatory order issued on July 20, 2000, is not publicly available since it contains classified information. NFS must continue to protect this classified information in accordance with NRC regulatory requirements. NFS may destroy copies of the confirmatory order when no longer needed, per 10 CFR 95.47, "Destruction of matter containing classified information."

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,



John W. Lubinski, Director
Office of Nuclear Material Safety
and Safeguards

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

Enclosure:

1. Assessment of PCL Order Requirements (Secret – Restricted Data)

cc (w/o enclosure): nfs@listmgr.nrc.gov

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SUBJECT: WITHDRAWAL OF CLASSIFIED CONFIRMATORY ORDER REQUIRING THE IMPLEMENTATION OF ADDITIONAL PHYSICAL PROTECTION MEASURES PURSUANT TO 10 CFR 73.46(a) DOCUMENT DATE: March 14, 2022

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