



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

April 18, 2024

Danielle Rogers, Director  
Safety and Safeguards  
Nuclear Fuel Services, Inc.  
1205 Banner Hill Road  
Erwin, TN 37650

SUBJECT: AMENDMENT 21 – APPROVAL OF SUBMITTAL FOR EXEMPTION FROM IMPLEMENTATION OF SECURITY EVENT NOTIFICATION AND SUSPICIOUS ACTIVITY REPORTING (ENTERPRISE PROJECT IDENTIFIER L-2023-SPR-0014)

Dear Danielle Rogers:

This is regarding the submittal from Nuclear Fuel Services, Inc., dated November 20, 2023 (Agencywide Documents Access and Management System [ADAMS] Accession No. ML23341A021), as supplemented by letter dated February 19, 2024 (ML24065A016), that requested an exemption, in accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) Section 73.5, "Specific Exemptions," from implementation of certain definitions, security event notifications, and suspicious activity reporting requirements that were recently revised in 10 CFR Part 73, "Physical Protection of Plants and Materials."

The U.S. Nuclear Regulatory Commission (NRC) staff has completed its review and determined that issuance of this exemption through a 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-3.9:

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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SG-3.9 Until December 31, 2024, or 180 days after publication of the final Regulatory Guides (specifically, Regulatory Guide 5.62, Revision 3, and Regulatory Guide 5.87, Revision 1), whichever is later, the licensee is exempt from implementation of the revised definitions for the terms "Contraband," and "Time of Discovery," in 10 CFR 73.2, "Definitions," and the recently revised requirements in 10 CFR Part 73, Subpart T, "Security Notifications, Reports, and Recordkeeping," 10 CFR 73.1200(a) through 10 CFR 73.1200(t), "Notification of Physical Security Events," 10 CFR 73.1205(a) through 10 CFR 73.1205(e), "Written Follow-up Reports of Physical Security Events," 10 CFR 73.1210(a) through 10 CFR 73.1210(h), "Record keeping of Physical Security Events," and 10 CFR 73.1215(a) through 10 CFR 73.1215(f), "Suspicious Activity Reports." The licensee shall comply with the commitments captured in its letter dated November 20, 2023, as supplemented by letter dated February 19, 2024. Specifically, the licensee shall:

1. Continue to comply with security event reporting, as previously required in 10 CFR 73.71, "Reporting of Safeguards Events," and 10 CFR Part 73, Appendix G, "Reportable Safeguards Events," and consistent with its current NRC-approved security plan and its site security procedures.
2. Continue to comply with the existing definition for "Discovery (time of)" as defined in Revision 7 of NEI 03-12, "Template for the Security Plan, Training and Qualification Plan, Safeguards Contingency Plan, [and Independent Spent Fuel Storage Installation Security Program]."
3. Remain capable of voluntarily reporting suspicious activity to the NRC and other federal agencies for the duration of the requested exemption term.
4. Continue to implement the established Corrective Action Plan that identifies items within the security program considered adverse to regulatory compliance.

All other license conditions shall remain the same. Enclosures 1 and 2 to this letter provide the amended Materials License SNM-124. The NRC staff's review is documented in a Safeguards Evaluation Report, which is Enclosure 3 to this letter. This letter concludes action on the referenced submittal, and Enterprise Project Identifier L-2023-SPR-0014 is considered **CLOSED**.

Enclosure 2 contains sensitive 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 of the NRC's "Agency Rules of Practice and Procedure."

In accordance with 10 CFR 2.390, "Public inspections, exemptions, requests for withholding," 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 component of the NRC's ADAMS. The ADAMS database is accessible from the NRC website at <http://www.nrc.gov/reading-rm/adams.html>. The PDR is open by appointment. To make an appointment to visit the PDR, please send an email to [PDR.Resource@nrc.gov](mailto:PDR.Resource@nrc.gov) or call 1-800-397-4209 or 301-415-4737, between 8 a.m. and 4 p.m. eastern time (ET), Monday through Friday, except Federal holidays.

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If you have any questions regarding this matter, please contact James Downs of my staff at 301-415-7744, or via email to: [James.Downs@nrc.gov](mailto:James.Downs@nrc.gov).

Sincerely,



Signed by Lav, Samantha  
on 04/18/24

Samantha C. Lav, 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 21 to Materials License  
SNM-124
2. Amendment 21 to Materials License  
SNM-124 (Non-Public)
3. Safeguards Evaluation Report

cc: [nfs@listmgr.nrc.gov](mailto:nfs@listmgr.nrc.gov)

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DOCUMENT DATE: April 18, 2024

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**ADAMS Accession Nos.: ML24061A271 (Pkg), ML24061A275 (Letter), ML24061A272 (Enclosure 1), ML24061A273 (Enclosure 2 – non-public), ML24061A274 (Enclosure 3)**

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