



Nuclear Fuel Services, Inc.
1205 Banner Hill Rd
Erwin, TN 37650

24G-24-0004
GOV-01-55-10
ACF-24-0040

February 19th, 2024

Director, Office of Nuclear Material Safety & Safeguards
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001
ATTN: Document Control Desk

Reference: Docket No. 70-143; SNM License 124
Enterprise Project Identifier: L-2023-SPR-0014

Subject: Response to Nuclear Fuel Services, Inc., Request for Additional Information Concerning Request for Exemption from Implementation of Security Event Notification and Suspicious Activity Reporting

Nuclear Fuel Services, Inc. received a Request for Additional Information (RAI) from the Nuclear Regulatory Commission (NRC) on February 9, 2024 concerning the Request for Exemption from Implementation of Security Event Notification and Suspicious Activity Reporting. Response to the RAI is as follows:

NRC RAI-1

In the submitted exemption request, NFS stated that the site will continue to comply with security event reporting, as previously required in 10 CFR 73, Appendix G, "Reportable Safeguards Events." Confirm whether NFS will continue to comply with the requirements of 10 CFR 73.71, "Reporting of Safeguards Events," and 10 CFR 73, Appendix G that were required prior to March 2023, for the duration of the requested exemption term.

Nuclear Fuel Services, Inc. response to RAI-1

Nuclear Fuel Services, Inc. confirms to remain in compliance with the security event reporting as previously required in 10 CFR 73.71, "Reporting of Safeguard Events", and 10 CFR 73, Appendix G, "Reportable Safeguards Events", for the duration of the requested exemption term.

NRC RAI-2

In its exemption request, NFS states that the site currently complies with the definition for "Time of Discovery" provided in NRC-endorsed document NEI 03-12, "Template for the Security Plan, Training and Qualification Plan, Safeguards Contingency Plan, [and Independent Spent Fuel Storage Installation Security Program], and Regulatory Guide 5.62, Revision 1. However, NRC staff could not find a definition for the term "Time of Discovery" either in NRC Regulatory Guide 5.62, or in the referenced NEI 03-12 document. In addition, staff could not find a definition for this term in the NFS site security plan. NEI 03-12, Revision 7 (ML11301A066), contains the term "Discovery (time of)." Confirm whether NFS currently complies with the definition of "Discovery (time of)" from NEI 03-12, for implementing the site security plan, and that it will continue to comply with it for the duration of the requested exemption term. Alternatively, a definition for "Time of Discovery" could be proposed for implementing the site security plan for the duration of

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the requested exemption term.

Nuclear Fuel Services, Inc. response to RAI-2

Nuclear Fuel Services, Inc. confirms to remain in compliance with the definition of "Discovery (time of)" being "a supervisor or manager makes determination that a verified degradation of a security safeguards measure or a contingency situation exists" from NEI 03-12, for implementing the site security plan for the duration of the requested exemption.

NRC RAI-3

Prior to the effective date of April 13, 2023, licensees voluntarily reported suspicious activity to the NRC and other federal agencies. Confirm whether NFS will continue to be capable of voluntarily reporting suspicious activity to the NRC and other federal agencies for the duration of the requested exemption term.

Nuclear Fuel Services, Inc. response to RAI-3

Nuclear Fuel Services, Inc. confirms to be capable of voluntarily reporting of suspicious activity to the NRC and other federal agencies for the duration of the requested exemption.

If you or your staff have any questions, require additional information, or wish to discuss this, please contact Ms. Natalie Willis, Security director, at (423) 743-1720 or me. Please reference our unique document identification number (24G-24-0004).

Respectfully,
Nuclear Fuel Services Inc.



Tim Knowles
Safety and Safeguards Director