

March 15, 2004

Ms. B. Marie Moore, Vice President
Safety and Regulatory
Nuclear Fuel Services, Inc.
P.O. Box 337, MS 123
Erwin, TN 37650

SUBJECT: NUCLEAR FUEL SERVICES, INC., - AMENDMENT 49 - ORGANIZATIONAL
CHANGES TO CHAPTER 2, "ORGANIZATION AND ADMINISTRATION," OF
LICENSE NO. SNM-124 (TAC NO. L31804)

Dear Ms. Moore:

In accordance with your application dated January 9, 2004, and pursuant to Part 70 to Title 10 of the Code of Federal Regulations (CFR), Materials License SNM-124 is hereby amended to incorporate the changes to Chapter 2, Organization and Administration, of the license application. Accordingly, Safety Condition S-1 has been revised to include the date of January 9, 2004. All other conditions of this license shall remain the same. Enclosed are copies of the revised Materials License SNM-124 and the Safety Evaluation Report which includes the Categorical Exclusion.

If you have any questions concerning this letter, please contact Mr. Michael Lamastra of my staff by phone at (301) 415-8139 or by email at MXL2@nrc.gov.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm.html>.

Sincerely,

/RA/

Gary S. Janosko, Chief
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket 70-143
License SNM-124
Amendment 49

Enclosures: 1. Materials License SNM-124
2. Safety Evaluation Report

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CHANGES TO CHAPTER 2, "ORGANIZATION AND ADMINISTRATION," OF
LICENSE NO. SNM-124 (TAC NO. L31804)

Dear Ms. Moore:

In accordance with your application dated January 9, 2004 (ML040130726), and pursuant to Part 70 to Title 10 of the Code of Federal Regulations (CFR), Materials License SNM-124 is hereby amended to incorporate the changes to Chapter 2, Organization and Administration, of the license application. Accordingly, Safety Condition S-1 has been revised to include the date of January 9, 2004. All other conditions of this license shall remain the same. Enclosed are copies of the revised Materials License SNM-124 and the Safety Evaluation Report which includes the Categorical Exclusion.

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*see previous concurrence

ML040760067

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DATE	3/3/04	3/5/04	3/9/04	3/12/04	3/15/04

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LICENSEE: NUCLEAR FUEL SERVICES, INC. - AMENDMENT 49 - ORGANIZATIONAL CHANGES TO CHAPTER 2, "ORGANIZATION AND ADMINISTRATION," OF LICENSE NO. SNM-124 (TAC NO. L31804)

BACKGROUND

By a letter dated January 9, 2004 (ML040130726), Nuclear Fuel Services (NFS) requested an amendment to its Special Nuclear Material License, SNM-124, to incorporate changes to Chapter 2 of its license, "Organization and Administration".

DISCUSSION

On January 9, 2004, NFS requested an amendment to their license SNM-124. The amendment requested changes to Chapter 2, "Organization and Administration". In Section 2.2.0, the title "CEO" was added as a position having overall responsibility at NFS. In Section 2.2.1, the description of the responsibilities were altered for the Discipline Vice-President. In Section 2.2.4, the Quality Assurance Function Manager's reporting requirements were altered such that the position is no longer required to report to the Safety Discipline Vice-President. The changes to the aforementioned chapters only alter the organizational structure. The NRC staff reviewed the proposed changes and has determined that the changes are administrative in nature and do not have an impact on the chemical process, fire or radiological safety of the facility. The NRC staff has also determined that the safety functions are separate from the operational concerns and have direct access to management.

ENVIRONMENTAL REVIEW

Based on the information submitted by NFS, the NRC staff has determined that the changes are administrative in nature and will not adversely affect the public health and safety or the environment. Changes to the Organization and Administration meet the following requirements:

1. There is no significant change in the types, or significant increase in the amounts of any effluents that may be released offsite.
2. There is no significant increase in individual or cumulative occupational radiation exposure.
3. There is no significant construction impact.
4. There is no significant increase in the potential for or no consequences from radiological accidents.

Accordingly, 10 CFR 51.22(c)(11) for categorically excluding an action from an environmental review have been met, and neither an environmental assessment nor an environmental impact statement is warranted for this action.

CONCLUSION

Based on the above discussion, the staff recommends that the NFS Amendment 49 be approved. The Region II inspection staff has no objection to this amendment.

PRINCIPAL CONTRIBUTOR:

Bob Lukes