

December 12, 2005

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 67 - APPROVAL OF  
CHANGES TO PROCEDURE REVIEWS BY THE SAFETY AND SAFEGUARDS  
REVIEW COUNCIL (TAC L31899)

Dear Ms. Moore:

In accordance with your application dated June 10, 2005, and supplement dated September 29, 2005, and pursuant to Part 70 to Title 10 of the Code of Federal Regulations (CFR), Materials License SNM-124 is hereby amended to approve administrative changes to the procedure reviews by the Nuclear Fuel Services (NFS) Safety and Safeguards Review Council. Accordingly, Safety Condition S-1 has been revised to include the dates of June 10 and September 29, 2005. In addition, a new Safety Condition 52 has been added to read as follows:

S-52 For the approval of procedures, the licensee shall ensure that concurrence with the Safety and Safeguards Review Council (SSRC) Chair's selection of the minimum designated SSRC reviewers is obtained from the entire SSRC and documented before procedures are approved. Documentation may be in the form of signature sheets, emails, memos, or other means acceptable to the SSRC, and may include concurrence in advance by individual SSRC members for individual procedures or classes of procedures.

Please note that this amendment approves changes to the number of SSRC members reviewing procedures only. Changes concerning the frequency of procedure reviews (submitted by letter dated December 3, 2004) are still under review by the Nuclear Regulatory Commission (NRC) staff, and may not be implemented despite the language included with revised pages.

In addition, Safety Condition 24 has been revised to reflect the changes we accepted in our letter dated November 15, 2005. The revised condition reads as follows:

S-24 The licensee shall maintain and execute the response measures in the Emergency Plan, Revision 9, transmitted by letter dated June 28, 2005, or as further revised by the licensee consistent with 10 CFR 70.32(i).

B. Moore

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All other conditions of this license shall remain the same.

Enclosed are copies of the revised Materials License SNM-124 (Enclosure 1), and the Safety Evaluation Report (Enclosure 2).

If you have any questions regarding this matter, please contact Kevin Ramsey of my staff at (301) 415-7887 or via e-mail to [kmr@nrc.gov](mailto:kmr@nrc.gov).

This letter and its enclosures contain sensitive, unclassified information, and are therefore deemed Official Use Only. They will not be placed in the Public Document Room nor will they be publicly available in the NRC Agencywide Document Access and Management System (ADAMS).

Sincerely,

/RA/

Joseph G. Glitter, Deputy Director  
Division of Fuel Cycle Safety  
and Safeguards  
Office of Nuclear Material Safety  
and Safeguards

Docket No.: 70-143  
License No.: SNM-124  
Amendment 67

Enclosures:

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

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**Closes TAC L31899**

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DOCKET: 70-143

LICENSEE: Nuclear Fuel Services, Inc.  
Erwin, Tennessee

SUBJECT: SAFETY EVALUATION REPORT FOR NUCLEAR FUEL SERVICES, INC. -  
AMENDMENT 67 - APPROVAL OF CHANGES TO PROCEDURE REVIEWS BY  
THE SAFETY AND SAFEGUARDS REVIEW COUNCIL (TAC L31899)

1.0 BACKGROUND:

On June 10, 2005, Nuclear Fuel Services (NFS) submitted an amendment request to make administrative changes to the Safety & Safeguards Review Council (SSRC) review process for operating procedures that allow the SSRC chair to select, on a case-by-case basis, the appropriate SSRC members to participate in the review process. Currently, NFS requires each member of the SSRC to review and approve all new operating procedures and changes to existing operating procedures. The amendment involves changing the following sections of the license application:

Chapter 1, Section 1.7.4, Operating Procedure,  
Chapter 2, Section 2.4, Safety Review Committee,  
Chapter 2, Section 2.7.1, Adopting and Issuing Procedures, and  
Chapter 11, Section 11.7.1, Standard Operating Procedures.

The licensee believes that these changes will improve the review process by focusing on the review activities, with the appropriate selection of cognizant members to the SSRC, based on the subject matter of the changes being considered. The proposed changes would require, at a minimum, that new operating procedures and changes to existing operating procedures are reviewed and approved by the initiating discipline manager, the safety discipline manager, and the appropriate safety review committee members as selected by the SSRC chair.

As part of its amendment request, NFS submitted the text changes to the above referenced application license sections. The NRC provided the licensee with a request for additional information (RAI) on September 2, 2005. The licensee responded to the RAI request on September 29, 2005, and included revised license amendments consistent with the responses provided.

Enclosure 2

[REDACTED]



## 2.0 DISCUSSION:

### 2.1 Licensee's Submittal

The enclosure provided with the amendment request included page changes to the appropriate sections of the facility license commitments and the page index section for the revision. Each of the page changes, by section number, will be discussed here.

Changes in Section 1.7.4 define the initiating manager, the safety discipline manager and the appropriate safety review committee members, as selected by the SSRC chair (or a designee), as the responsible members for review and approval of operating procedures. Currently, the entire committee is required to review and approve changes.

Changes in Section 2.4 address the minimum makeup of the review committee needed to review and approve procedures and the responsibility of the chair to select those members. Currently, approval by all members is required and appointment of members by the chair is not required. The license amendment submitted by the license is as follows:

*"The chair of the safety review committee is authorized to select individual committee members to review and approve new or revised operation, general safety, decommissioning, and emergency procedures. However, the review and approval of such operating procedures, as described herein, shall include at a minimum the initiating discipline manager, the safety discipline manager, and the chair of the safety review committee. In addition, the chair of the safety review committee may also select individual committee members to review existing operations procedures for accuracy and for being current at least every five years."*

Changes in Section 2.7.1 clarify the frequency with which operating procedures will be reviewed to assure they reflect current practices. In particular, the frequency was stated to be less than every 5 years, as opposed to the current 2-year requirement. The licensee amendment request states that approval of the frequency changes are the subject of a separate request (submitted by letter dated December 3, 2004) to change the periodicity for review and approval of operating procedure that is currently under review by the NRC staff.

Changes in Section 11.7.1 revise the procedure review process to require reviews by the initiating discipline manager, the safety discipline manager, and other appropriate members of the SSRC selected by the chair of the SSRC. This change was provided in the September 29, 2005, amendment request to provide consistency with the wording that was provided in Section 1.7.4. Similar to Section 1.7.4, the entire committee is required to review and approve changes in the current license.

Changes in Section 11.7.6 provide that the SSRC review cycle of every 5 years will be used rather than the 2-year cycle requirement currently in the current license.

## 2.2 NRC Technical Review:

The staff has reviewed the amendment request dated June 10, 2005, the licensee responses to the staff's request for additional information, and the license amendment changes provided in the September 29, 2005, response. The licensee's proposed amendments stem from a formal process undertaken by the licensee for improving the licensee's procedures both in content and in terms of the revision process. The licensee believes that the license amendment changes will provide more operational flexibility because not all changes to operating procedures need to be reviewed by all disciplines. The licensee believes that specifically selected experts in individual disciplines provide the necessary level of attention needed to perform a thorough review that will continue to assure safety at a level comparable to the former requirements.

The staff notes that the licensee's requirement for the minimum complement needed to review operating procedure changes along with selected members made by the chair is sufficient to provide reasonable assurance that the proper level of experience and expertise will be available for the reviews and that the safety-related aspects of the reviews can be properly addressed given these amendment changes. The staff also notes that although the authority for assignment of additional members falls solely to the chair, other members would be given the opportunity to provide input or acknowledgment of the selection of the members chosen by the chair before the review is performed. The licensee has committed to formalize a method, before implementing these changes, that will ensure that timely concurrence with the chair's selection of the designated reviewers will be obtained from all SSRC members and documented. The staff believes that this commitment should be formalized through a license condition until such time that the commitment can be included in the license. Therefore, based on the staff's review of the information provided, the staff has determined that the changes regarding the makeup of the SSRC committee for review of operating procedures, reinforced by a license condition, are acceptable.

The changes in Sections 2.7.1 and 11.7.6 concerning the frequency of procedure reviews are still being evaluated by the staff under a separate licensing action (TAC no. L31904). The changes have not been approved.

## 3.0 ENVIRONMENTAL REVIEW

These changes are considered administrative and procedural and do not affect the scope or nature of the licensed activity. 10 CFR 51.22(c)(11) allows for a categorical exclusion if the following requirements have been satisfied:

- i. There is no significant change in the types or significant increase in the amounts of any effluents that may be released offsite.
- ii. There is no significant increase in individual or cumulative occupational radiation exposure.
- iii. There is no significant construction impact.

- [REDACTED]
- iv. There is no significant increase in the potential for or no consequences from radiological accidents.

The above changes are considered administrative in nature. There are no changes in the types of effluents nor are there any increases in the amounts of effluents. Occupational exposure is expected to remain the same. These changes involve no additional construction activity. Therefore, there will be no construction impact.

The staff has determined that the proposed changes do not adversely affect public health and safety, or the environment, and are categorically excluded from the requirement to prepare a site-specific environmental assessment. Therefore, in accordance with 10 CFR 51.22(c)(11), neither an environmental assessment nor an environmental impact statement is warranted for this action.

#### 4.0 CONCLUSION:

The staff concludes, based on the review performed, that the licensee's changes to allow the SSRC chairman to select the SSRC members that will review a procedure can be granted with the addition of the following license condition:

- S-52 For the approval of procedures, the licensee shall ensure that concurrence with the Safety and Safeguards Review Council (SSRC) Chair's selection of the minimum designated SSRC reviewers is obtained from the entire SSRC and documented before procedures are approved. Documentation may be in the form of signature sheets, emails, memos, or other means acceptable to the SSRC, and may include concurrence in advance by individual SSRC members for individual procedures or classes of procedures.

The staff concludes that these changes can be made with reasonable assurance of the protection of the health and safety of the public and environment.

At this time, the staff also adds that changes involving the time period changes from 2 years to 5 years for periodic review have not been approved and may not be implemented.

#### PRINCIPAL CONTRIBUTORS

Kim Hammer  
Kevin Morrissey