

[REDACTED]

January 10, 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 57 - REQUEST FOR TIME
EXTENSION TO COMPLETE RECEIPT MEASUREMENTS (TAC NO. L31864)

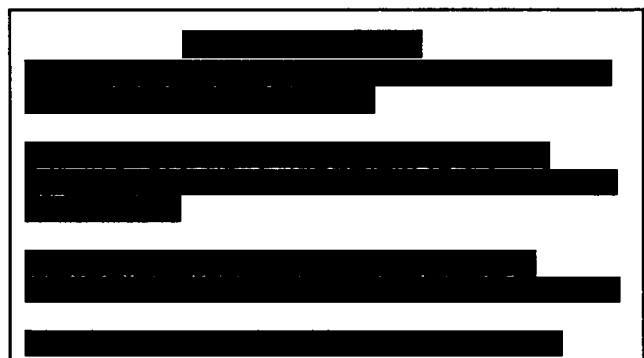
Dear Ms. Moore:

This refers to your correspondence dated September 30, 2004 (NFS Reference #30G-04-0943), and pursuant to Part 70 to Title 10 of the Code of Federal Regulations, Materials License SNM-124 is hereby amended to allow a time extension for completing certain receipt verification measurements. Accordingly, a temporary Safeguards License Condition SG-4.34, is being issued, effective immediately, and to read as follows:

SG-4.34 Notwithstanding the commitment in Section 4.7.1 of the Fundamental Nuclear Material Control (FNMC) Plan identified in Condition SG-5.1 to perform certain receipt verification measurements of strategic special nuclear material, the licensee shall have five (5) additional days to fulfill the above stated commitment relative to the shipment of high-enriched uranium identified in the September 30, 2004, request letter. This condition automatically expires on December 31, 2005.

The temporary condition is approved pursuant to 10 CFR 70.34 based on our determination that, in view of the specific circumstances, the additional time requested is justified and warranted. All other conditions of this license remain the same.

Enclosed are copies of the revised Materials License SNM-124 and the Safeguards Evaluation Report, which includes the Categorical Exclusion determination.



[REDACTED]

B. Marie Moore

2

If you have any questions concerning this letter, please contact Julie Olivier of my staff by phone at (301) 415-8098 or by email at jao@nrc.gov.

This letter contains sensitive, unclassified information. Therefore, it will not be placed in the Public Document Room nor the Publicly Available Records (PARS) component of the NRC's document system (ADAMS).

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 57

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

[REDACTED]

[REDACTED]

B. Marie Moore

2
January 10, 2005

If you have any questions concerning this letter, please contact Julie Olivier of my staff by phone at (301) 415-8098 or by email at jao@nrc.gov.

This letter contains sensitive, unclassified information. Therefore, it will not be placed in the Public Document Room nor the Publicly Available Records (PARS) component of the NRC's document system (ADAMS).

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 57

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

Closes TAC Number L31864

DISTRIBUTION: w/encl.

FCFB r/f MLamastra KRamsey SCross, NSIR MWilliams, NSIR
Region II SHO WGloerson, RII DRich Sr. Res. Insp.

C:\Documents and Settings\dee\Application Data\NRC\ADAMSDesktop\Cache\ML0501200170.wpd
ML050120021

OFC	DNS/NSIR		FCFB		FCFB		FCFB		FCFB	
NAME	VOrdaz		JOlivier		JMuszkiewicz		MMarkley		GJanosko	
DATE	01/10/05		01/07/05		01/07/05		01/10/05		01/10/05	

OFFICIAL RECORD COPY

[REDACTED]

[REDACTED]

DOCKET: 70-143

LICENSEE: Nuclear Fuel Services, Inc.
Erwin, Tennessee

SUBJECT: SAFEGUARDS EVALUATION REPORT: SUBMITTAL DATED
SEPTEMBER 30, 2004, REQUEST FOR TIME EXTENSION TO COMPLETE
RECEIPT MEASUREMENTS

BACKGROUND

By cover letter dated September 30, 2004, Nuclear Fuel Services (NFS) requested an amendment to renew a previously issued safeguards license condition which authorizes an extension of time to complete certain receipt verification measurements for shipments of strategic special nuclear material (SSNM). This amendment is in response to this request, which provides relief to the licensee from a commitment in Section 4.7.1 of its Fundamental Nuclear Material Control (FNMC) Plan, and was processed following the provisions of 10 CFR 70.34 to ensure there would be no decrease in the overall effectiveness of the licensee's safeguards program.

DISCUSSION

The extension request is for shipments of SSNM containers transported by the Department of Energy, Office of Transportation Safeguards (OTS). [REDACTED]

[REDACTED] Due to the limited availability of secure transport and schedule constraints, the licensee must maintain the capability to accommodate larger quantities of material in each shipment and receive shipments in a compressed time frame. In order to achieve the objectives, NFS is aggressively pursuing additional staffing and equipment to increase the capability to perform the required receiving activities. Therefore, additional time is requested to perform the gross weight checks associated with the larger shipment quantities.

[REDACTED]

OFFICIAL USE ONLY

However, Section 4.7.1 of the facility's FNMC Plan specifies that "incoming containers of HEU are gross weighed within five (5) working days, excluding weekends and holidays, of the time the material is received." Therefore, a time extension has been requested for the receipt of this material and to modify the requirements to accommodate the receipt measurement activities. It is noted that this request is to extend a recently expired license condition for another year in order to accommodate similar material receipts and schedules which occurred at the facility in 2004. In the request letter, the licensee stated that the containers of SSNM received from the secure transport shipments will be physically verified for [REDACTED]. [REDACTED]. Once verified, the material will be placed into the [REDACTED]. "Category 1A" designated material will be gross weighed within five (5) working days excluding weekends and holidays, of the time the material is placed in vault storage. "Category 1B" designated material will be gross weighed within ten (10) working days, excluding weekends and holidays, of the time the material is placed in [REDACTED]. The staff found that the proposed practices for handling the materials during receipt activities are acceptable. Also, the staff found the request appropriate to allow NFS to fulfill all initial verification measurement requirements with the shipments.

ENVIRONMENTAL REVIEW

The staff has determined that the requested time extension involves the safeguards plan and material accountability which are categorically excluded from the requirements to prepare a site-specific environmental assessment. Therefore, in accordance with 10 CFR 51.22(c)(12), neither an environmental assessment nor an environmental impact statement is warranted for this action.

CONCLUSION

The staff concludes that granting the licensee's time extension request for completing the verification measurements of received SSNM is justified and warranted, and will not reduce the effectiveness of the licensee's safeguards program. Thus, a new temporary Safeguards License Condition SG-4.34 is being issued which allows for the limited extension of time.

The inspection staff has no objection to this proposed action.

PRINCIPAL CONTRIBUTOR

Thomas N. Pham