



~~OFFICIAL USE ONLY — SECURITY RELATED INFORMATION~~

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
245 PEACHTREE CENTER AVENUE NE, SUITE 1200
ATLANTA, GEORGIA 30303-1257

April 15, 2015

Mr. Joel Duling
President
Nuclear Fuel Services, Inc.
P.O. Box 337, MS 123
Erwin, TN 37650

SUBJECT: NUCLEAR FUEL SERVICES, INC. – U.S. NUCLEAR REGULATORY
COMMISSION PHYSICAL SECURITY INSPECTION REPORT NO.
70-143/2015402

Dear Mr. Duling:

This letter refers to the onsite inspection conducted from April 6 – 9, 2015, at your Erwin, Tennessee facility. The purpose of the inspection was to determine whether activities authorized by the licensee were conducted safely, and in accordance with U.S. Nuclear Regulatory Commission (NRC) requirements. At the conclusion of the inspection, the findings were discussed with you and other members of your staff.

Areas examined during the inspection included physical security plan and implementing procedures, safeguard contingency plan implementation review, security program audit, and security organization. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations of activities in progress. There were no violations identified.

In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) 2.390, "Public inspections, exemptions, requests for withholdings," 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 Agencywide Documents Access and Management System (ADAMS); accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

However, the material enclosed herein contains Security-Related Information in accordance with 10 CFR 2.390(d)(1), and its disclosure to unauthorized individuals could present a security vulnerability. Therefore, the material in the Enclosure will not be made available electronically

~~Enclosure(s) transmitted herewith contain(s) SUNSI. When separated from Enclosure(s), this transmittal document is decontrolled.~~

~~LIMITED INTERNAL
DISTRIBUTION PERMITTED~~

~~OFFICIAL USE ONLY — SECURITY RELATED INFORMATION~~

J. Duling

2

for public inspection in the NRC Public Document Room, or from the PARS component of NRC's ADAMS. If you choose to provide a response and Security-Related Information is necessary to provide an acceptable response, please mark your entire response "Security-Related Information - Withhold from public disclosure under 10 CFR 2.390," in accordance with 10 CFR 2.390(d)(1), and follow the instructions for withholding in 10 CFR 2.390(b)(1). In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response.

Should you have any questions concerning this letter, please contact us.

Sincerely,

/RA/

Binoy B. Desai, Chief
Plant Support Branch 2
Division of Reactor Safety

Docket No. 70-143
License No. SNM-124

~~Enclosure:~~

~~NRC Inspection Report 07000143/2015402~~

~~w/Attachment: Supplementary Information~~

~~(OUO)~~

cc: (See page 3)

~~OFFICIAL USE ONLY – SECURITY-RELATED INFORMATION~~

J. Duling

2

for public inspection in the NRC Public Document Room, or from the PARS component of NRC's ADAMS. If you choose to provide a response and Security-Related Information is necessary to provide an acceptable response, please mark your entire response "Security-Related Information - Withhold from public disclosure under 10 CFR 2.390," in accordance with 10 CFR 2.390(d)(1), and follow the instructions for withholding in 10 CFR 2.390(b)(1). In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response.

Should you have any questions concerning this letter, please contact us.

Sincerely,

/RA/

Binoy B. Desai, Chief
Plant Support Branch 2
Division of Reactor Safety

Docket No. 70-143
License No. SNM-124

Enclosure:-

NRC Inspection Report 07000143/2015402

~~w/Attachment: Supplementary Information~~
~~(OUO)~~

cc: (See page 3)

DISTRIBUTION:

C. Erlanger, NSIR
N. Simonian, NSIR
K. Ramsey, NMSS
C. Rivera-Crespo, RII, DFFI
S. Price, RII, ORA/RC
D. Garner, NSIR
RIDSNNRRDIRS

E. Wharton, NSIR
R. Johnson, NMSS
J. Hickey, RII, DFFI
C. Stancil, RII, DFFI
L. Gibson, RII, EICS
D. Ditto, NMSS

☒ PUBLICLY AVAILABLE (OUO removed) ☒ NON-PUBLICLY AVAILABLE ☒ SENSITIVE ☒ NON-SENSITIVE (OUO removed)

ADAMS: ☒ Yes ACCESSION NUMBER: ML15106A832 ☒ SUNSI REVIEW COMPLETE ☒ FORM 665 ATTACHED

OFFICE	RII:DRS/PSB2	RII:DRS/PSB2	RII:DFFI/BR1	RII:DRS/PSB2			
SIGNATURE	OXS1	ICH	JAH5	BBD			
NAME	O. Smith	I. Hall	J. Hickey	B. Desai			
DATE	4/ 13 /2015	4/ 15 /2015	4/ 13 /2015	4/ 15 /2015			
E-MAIL COPY	YES NO	YES NO	YES NO	YES NO			

OFFICIAL RECORD COPY

~~OFFICIAL USE ONLY – SECURITY-RELATED INFORMATION~~

J. Duling

3

cc:

Michael McKinnon
Director Operations
Nuclear Fuel Services, Inc.
Electronic Mail Distribution

Richard A. Freudenberger
Director
Quality, Safety & Safeguards
Nuclear Fuel Services, Inc.
Electronic Mail Distribution

Debra Shults
Director
Tennessee Dept. of Environment
and Conservation
Electronic Mail Distribution