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**UNITED STATES  
NUCLEAR REGULATORY COMMISSION**  
REGION II  
245 PEACHTREE CENTER AVENUE N.E., SUITE 1200  
ATLANTA, GEORGIA 30303-1200

December 21, 2020

Mr. John Stewart, 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.  
70-143/2020-405

Dear Mr. Stewart:

This letter refers to the onsite inspection conducted from December 7 – 10, 2020, at your Erwin, Tennessee facility. The purpose of the inspection was to determine whether activities authorized by the license were conducted safely, and in accordance with the U.S. Nuclear Regulatory Commission's (NRC's) requirements. At the conclusion of the onsite inspection, the findings were discussed with you and members of your staff.

Areas examined during the inspection consisted of your programs related to category I fuel cycle facilities physical protection programs and protective strategy. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations of activities in progress.

Based on the results of the inspection, the NRC determined that two Severity Level (SL) IV Violations of NRC requirements were identified. Because the licensee took prompt corrective action and put the issues into their corrective action program to address long term corrective actions, and the violations were identified by the licensee, these violations are being treated as non-cited violations (NCVs), consistent with Section 2.3.3 of the Enforcement Policy. The NCVs are described in the subject inspection report. If you contest the violations or the significance of the NCVs, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001, with copies to: (1) the Regional Administrator, Region II; (2) the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001; and (3) the resident inspector at your NFS facility.

The enclosed inspection report contains Security-Related Information in accordance with 10 CFR 2.390(d)(1) and its disclosure to unauthorized individuals could present a security vulnerability.

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Therefore, the material in the enclosure will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>

Should you have any questions concerning this letter, please contact us at 404-997-4563.

Sincerely,

Ivan Hall, for

/RA/

James Shehee, Chief  
Plant Support Branch  
Division of Reactor Safety

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

Enclosure:  
NRC Inspection Report 70-143/2020-405  
w/Attachment: ~~Supplemental Information (OUO)~~

J. Stewart

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cc:

Mike McKinnon  
Operations Director  
Nuclear Fuel Services, Inc.  
[Mwmckinnon@bwxt.com](mailto:Mwmckinnon@bwxt.com)  
Electronic Mail Distribution

Tim Knowles  
Safety & Safeguards Director  
Nuclear Fuel Services, Inc.  
[Taknowles@bwxt.com](mailto:Taknowles@bwxt.com)  
Electronic Mail Distribution

Morie Amaryl  
Licensing Manager  
Nuclear Fuel Services, Inc.  
[Aamorie@bwxt.com](mailto:Aamorie@bwxt.com)  
Electronic Mail Distribution

Brad Graham  
Licensing Specialist  
Nuclear Fuel Services, Inc.  
[Brgraham@bwxt.com](mailto:Brgraham@bwxt.com)  
Electronic Mail Distribution

NFS Regulatory Services  
Nuclear Fuel Services, Inc.  
[nfs\\_regulatory\\_services@bwxt.com](mailto:nfs_regulatory_services@bwxt.com)  
Electronic Mail Distribution

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