



Nuclear Fuel Services, Inc.

*CERTIFIED MAIL  
RETURN RECEIPT REQUESTED*

21G-21-0144  
GOV-01-55  
ACF-21-0246  
September 17, 2021

Director, Office of Nuclear Material Safety and Safeguards  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555-0001  
ATTN: Document Control Desk

REFERENCES:     1) NRC License SNM-124, Docket 70-143  
                      2) NFS Emergency Plan, Chapter 7, Revision 26, September 2020  
                      3) NFS Letter, S.E. Barron to J. Rivera-Ortiz, NRC, Submittal of  
                              2021 Exercise Objectives and Scenario Detail, dated August 31,  
                              2021 (21G-21-0141)  
                      4) NRC Temporary Staff Guidance No. TSG-DFM-2020-01,  
                              "Fuel Facility Requests for Regulatory Relief Related to  
                              COVID-19", 4/21/20

**SUBJECT:   EXEMPTION REQUEST FOR CONDUCTING THE NUCLEAR  
                 FUEL SERVICES, INC. BIENNIAL EVALUATED  
                 EMERGENCY EXERCISE REQUIRED BY 10 CFR 70.22  
                 (i)(3)(xii)**

Dear Sir or Madam:

In accordance with 10 CFR 70.17 and the guidance in Reference 4, Nuclear Fuel Services, Inc. (NFS) in Erwin, TN, hereby requests a onetime extension for conducting the 2021 Biennial Evaluated Emergency Exercise for the SNM-124 license (Reference 1).

Pursuant to the NFS Emergency Plan, Chapter 7, Section 7.3.1 (Reference 2), NFS will conduct at least one exercise every other year to simulate an on-site emergency condition that will require participation by the site Emergency Organization and a number of off-site support agencies. The last NFS biennial evaluated exercise was conducted in September, 2019. NFS submitted the 2021 Exercise Objectives and Scenario Detail on August 31, 2021 (Reference 3). The purpose of this correspondence is to request a onetime extension for conducting the 2021 evaluated exercise. If this request is granted and contingent on how the COVID-19 Public Health Emergency (PHE) continues to affect the local community, NFS plans to conduct the exercise on or before June 30, 2022.

The exercise scenario requires participation by a designated on-site controller/evaluator team, the on-site emergency response organization (ERO), first responder teams, the on-site security organization, and other site personnel. The exercise is evaluated by the designated controller/evaluator team and NRC Staff. Offsite agencies that agreed to participate prior to the surge of the highly transmissible COVID-19 Delta variant would further increase the population of personnel in the Emergency Control Center (ECC). This will result in a large group of individuals together in the site emergency response center that could challenge several COVID-19-related isolation guidelines (e.g., social distancing and group size limitations).

The reason for requesting this exemption is COVID-19 related changing local conditions prevent NFS from safely conducting the biennial exercise as planned. In August 2021, the northeast Tennessee region, which includes Carter Greene, Hawkins, Johnson, Sullivan, Unicoi (where NFS is located), and Washington counties reported a concerning resurgence in new positive COVID-19 tests. The regional hospitals provided an update on September 7 that there have been continued increases in new COVID-19 cases in the local area due to the highly contagious Delta variant, case counts since early July 2021 of less than 200 have increased above 6,000 active cases. Over the past four days, the region reported 2,692 new positive COVID-19 cases continuing the region wide trend of increased viral spread. The region's hospitals and affected counties have also asked for everyone's help to prevent this trend from continuing. Recently the NFS facility reinstated several COVID-19 protective measures for individuals regardless of vaccination status.

Because of the rising positive COVID-19 cases in the local area and the increased number of personnel involved in an evaluated exercise versus a response to a real event, NFS concludes that an evaluated exercise cannot be conducted as scheduled in November without unnecessarily increasing the risk of exposing NFS staff, off-site responders, and potentially members of the public to the COVID-19 virus. Approval of this temporary exemption request will continue to support facility workplace protocols necessary to protect essential site personnel. NFS will continue to perform other periodic emergency drills, training and surveillances that allow personnel to stay within COVID-19 protocols and maintain emergency response proficiency.

NRC regulation 10 CFR 70.17, "Specific Exemptions," allows the NRC, upon application of any interested person or upon its own initiative, to grant such exemptions from the requirements of Part 70 as it determines are authorized by law and will not endanger life or property or the common defense and security and are otherwise in the public interest. The subject requirements in NFS's Emergency Plan concern the schedule for conducting an evaluated exercise. NRC regulations specifically provide for exemptions in certain circumstances, and no other statutory

provision would prevent the issuance of a temporary exemption from the prescribed date.

There is no undue risk to public health and safety from granting the requested temporary exemption. The exemption is otherwise in the public interest because it will minimize the risk of exposure to the COVID-19 virus. The requested exemption also does not decrease the effectiveness of the Emergency Plan, nor involve changes to security at the facility. Therefore, there is no impact on common defense and security from granting the requested temporary exemption.

Pursuant to 10 CFR 51.22(b), no environmental assessment or environmental impact statement need be prepared in connection with the approval of this request. The request is categorically excluded under 10 CFR 51.22 (c)(25)(vi)(G), and there are no extraordinary circumstances present that would preclude reliance on this exclusion. Approval of the requested exemption involves no significant hazards consideration; no significant change in the types or significant increase in the amounts of any effluents that may be released offsite; no significant increase in individual or cumulative public or occupational radiation exposure; no significant construction impact; and no significant increase in the potential for or consequences from radiological accidents. As such, there are no extraordinary circumstances present that would preclude reliance on this categorical exclusion.

We appreciate NRC's consideration of this request. If you or your staff have any questions, require additional information, or wish to discuss this matter further, please contact me at (423) 743-1705, or Mrs. Danielle Rogers, Nuclear Safety and Licensing Section Manager, at (423) 735-5475. Please reference our unique document identification number (21G-21-0144) in any correspondence concerning this letter.

Sincerely,

**NUCLEAR FUEL SERVICES, INC.**

A handwritten signature in cursive script that reads "Tim Knowles".

Tim Knowles, Director  
Safety and Safeguards

BRG/smd

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