

Erwin Citizens Awareness Network
P. O. Box 1151
Erwin, TN 37650

May 11, 2008

Mr. Michael Tschlitz
Director, Fuel Facility Licensing Directorate
Division of Fuel Cycle Safety and Safeguards
Office of Nuclear Material Safety and Safeguards
U. S. Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, Maryland 20852-2738

Dear Mr. Tschlitz:

Enclosed is a copy of a letter dated June 28, 2005 to Nuclear Fuel Services, subject: Nuclear Fuel Services, Inc. - Amendment 62 - Request for Possession Limit Increase for the NFS Site (TAC No. L31887) (ML072630136).

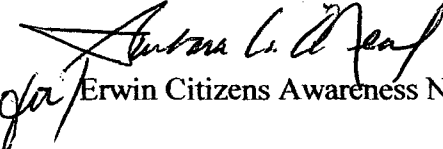
In paragraph three of that letter, an Environmental Review (ER) dated June 22, 2005 is referenced. This letter is referenced again under the Environmental Review section in the 3-page Safety Evaluation Report. We have been unable to locate this Environmental Review and would like to have a copy. We prefer that you send us a hard copy. If you will not send a hard copy, then please provide the ADAMS Accession Number where the document can be located, if it exists.

Additionally, the NFS Biannual Effluent Monitoring Reports, promised by the end of March 2008 in a letter to Ms. Linda Modica, Sierra Club Radiation Chair, dated (in error) Feb. 12, 2007 (should be 2008), are still not available on ADAMS. We are beginning to wonder if they exist at all. Even if they had to be fabricated after the fact, certainly they should have been available by now. Seven (7) reports are requested -- two for 2004, two for 2005, two for 2006, and the latest report, which should be July 1, 2007 to December 31, 2007. Again, if you will not provide us hard copies, please give us the Accession Numbers where they can be located.

And speaking of incorrect dates, we would call you attention to NRC Inspection Report No. 70-143/2007-009 and Notice of Violation, January 28, 2007 (should be 2008) (ML080290115).

Please respond to the address above.

Thank you,


for Erwin Citizens Awareness Network

1 Encl: as stated

cc: Mr. Victor McCree, Acting Director, NRC Region II
Mr. Peter Habighorst, Fuel Manufacturing Branch, NRC
Radiation Committee, Sierra Club

ADAMS ML072630136

2005-06-28

6 pages

[REDACTED]

June 28, 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 62 - REQUEST FOR
POSSESSION LIMIT INCREASE FOR THE NFS SITE (TAC No. L31887)

Dear Ms. Moore:

In accordance with your application dated April 22, 2005, (NFS No. 21-G-05-0082) and supplement dated May 23, 2005, (NFS No. 21G-05-0106) and pursuant to Part 70 to Title 10 of the Code of Federal Regulations (CFR), Materials License SNM-124 is hereby amended to increase your Uranium-235 Possession limit to [REDACTED]. Accordingly, Safety Condition S-1 has been revised to include the dates of April 22, 2005 and May 23, 2005, and condition 8A, is changed to [REDACTED].

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). The Environmental Review was prepared in a separate document dated June 22, 2005.

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.

[REDACTED]

[REDACTED]

[REDACTED]

B. Moore

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This letter contains sensitive, unclassified information, and is therefore deemed Official Use Only and will not be placed in the Public Document Room nor the Publicly Available Records component of the NRC's ADAMS document system.

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 No.: 70-143
License No.: SNM-124
Amendment 62

Enclosures:

1. Materials License SNM-124
 2. Safety Evaluation Report
- [REDACTED]



B. Moore

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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 No.: 70-143
License No.: SNM-124
Amendment 62

Enclosures:

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

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*See Previous Concurrence

OFC	FCFB	FCFB	FCFB	NSIR	FCFB	FCFB
NAME	MLamastra*	KRamsey*	BGarrett	RCaldwell	JLubinski	GJanosko
DATE	06/22/05	06/22/05	06/24/05	06/28/05	06/22/05	06/28/05

OFFICIAL RECORD COPY



[REDACTED]

DOCKET: 70-143

LICENSEE: Nuclear Fuel Services, Inc.
Erwin, Tennessee

SUBJECT: SAFETY EVALUATION REPORT FOR NUCLEAR FUEL SERVICES, INC.
(NFS) - AMENDMENT 62 - REQUEST FOR POSSESSION LIMIT INCREASE
FOR THE NFS SITE (TAC No. L31887)

Background

By letter dated April 22, 2005, NFS requested an amendment to increase its possession limit of ²³⁵U from [REDACTED] in Section 1.4.1 of the license application. By letter dated May 4, 2005, NRC sent an acknowledgment letter, which requested that NFS "... provide the technical basis for the amendment request, especially in the areas of the location of the on-site storage of the additional material and the on-site transportation of the material for the disciplines of nuclear criticality safety, material control and accounting, and security." By letter dated May 23, 2005, NFS responded to the information request in the acknowledgment letter.

Discussion

NRC staff reviewed the amendment request dated April 22, 2005, and supplemental information dated May 23, 2005. In the submittals, NFS indicated that over the past 12 to 18 months, the U.S. Department of Energy (DOE) began shipments of material to NFS at an accelerated schedule. To support the increased number of shipments, NFS made programmatic changes in the NFS Physical Protection (PP) Plan and Fundamental Nuclear Material Control (FNMC) Plan. The changes to those plans have been approved by NRC via amendments and have been implemented by NFS, since 2001.

The reason for this amendment request is because of a lower-than-planned processing rate at the Blended Low-Enriched Uranium Preparation Facility (BPF), and DOE request that NFS have from 6 to 12 month capacity on hand in case DOE is unable to ship material. NFS had intended to begin operations at BPF in early 2004. However, due to difficulties in bringing equipment and operations on-line, NFS was unable to process material being stored at several locations on-site at the production rate originally planned. Consequently, the difficulties encountered with processing the material now in storage plus the increased shipping rates from DOE necessitated the request for an increase in possession limits.

In its submittals, NFS indicated the following:

- There will be no effect on any existing facility or process equipment;
- There will be no associated new construction or changes to process equipment or facilities;

Enclosure 2

[REDACTED]

- [REDACTED]
- There will be no significant increase in the potential for or consequences from radiological accidents;
 - There will be no new or modified accident sequences in the Integrated Safety Analysis (ISA) Summary because the ISA considers all authorized storage locations to be at their maximum capacity for ^{235}U ;
 - There will be no changes to the NCS program;
 - There will be no changes in process throughput;
 - There will be no changes in the types of nuclear materials that will continue to be received;
 - There will be no changes in the receipt of shipments, which will continue to be done in accordance with the requirements in the PP and FNMC Plans;
 - There will be no changes in the location of authorized storage locations;
 - There will be no expansion of process area storage (i.e., non-vault storage) and the storage will continue to be subject to, and limited by, process control limits; and
 - There will be no need for additional storage locations because the authorized storage locations have sufficient storage capacity.

Nuclear Criticality Safety (NCS)

NFS indicated that increasing the possession limit will have no impact on the current NCS program (i.e., Chapter 4 in the license application). All activities involving special nuclear material were evaluated by NFS NCS staff and determined to be subcritical under both normal and credible abnormal conditions, including for the maximum storage capacity of more than [REDACTED] ^{235}U . This amount is well in excess of the requested possession limit of [REDACTED] ^{235}U .

NRC staff confirmed that there were available storage locations for the increase in possession limits, the storage locations have a basis for nuclear criticality safety, and there will be no changes regarding on-site receipt and transportation of material.

Radiation Protection

NFS' request for an increase possession limit has a low radiological risk due to the low dose rate from the material being stored. The staff reviewed the potential radiological accidents for the facility, while on-site from May 23-26, 2005, and concluded that all the radiological effects for all non-criticality accidents would result in a low dose to workers and members of the public. The staff concluded during license renewal in July 1999 that NFS' radiation safety program was

[REDACTED]

adequate to meet the requirements of 10 CFR Part 20, therefore, no changes to the radiation program are required for this amendment.

ENVIRONMENTAL REVIEW

Although this amendment request may have qualified for a Categorical Exclusion sited in 10 CFR Part 51.22(c)(11), the staff used its discretion and elected to perform an environmental assessment (EA), since NFS requested a large quantity of high enriched uranium. The results of the EA are contained in letter dated June 22, 2005.

CONCLUSION

Based on the information in the submittals as well as confirmation of available storage locations, NRC determined with reasonable assurance that the increase in possession limits will not decrease public health and safety, security, or protection of the environment.

The inspection staff has no objection to this proposed action.

PRINCIPAL CONTRIBUTORS

Mike Lamastra
Harry Felsher