

UNITED TATES NUCLEAR REGULATORY COMMISSION

REGION II 245 PEACHTREE CENTER AVENUE NE, SUITE 1200 ATLANTA, GEORGIA 30303-1257

August 6, 2019

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. 70-143/2019-405

Dear Mr. Stewart:

This letter refers to the onsite inspection conducted from July 22-26, 2019, 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.

This inspection examined activities conducted under your license as they relate to, security equipment testing and maintenance, physical protection of shipments of special nuclear material of moderate and low strategic significance, and a review of safeguards event reports. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations of activities in progress.

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. 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.

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Should you have any questions concerning this letter, please contact us at 404-997-4519.

Sincerely,

/RA/

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

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

Enclosure:

NRC Inspection Report 70-143/2019-405
-w/Attachment: Supplemental Information-(OUO)

cc: (See page 3)

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CC:

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David W. Deming Manager, Program Field Office – NFS Naval Nuclear Laboratory 1205 Banner Hill Rd Erwin, TN 37650

J. Stewart

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NO. 70-143/2019-405 dated August 6, 2019

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^{*}See previous page for concurrence