



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

March 23, 2022

Timothy Knowles, Director
Safety and Safeguards
Nuclear Fuel Services, Inc.
1205 Banner Hill Road
Erwin, TN 37650

SUBJECT: AMENDMENT 17 – APPROVAL OF REQUEST FOR EXEMPTION FROM CERTAIN FORCE-ON-FORCE EXERCISE REQUIREMENTS (ENTERPRISE PROJECT IDENTIFIER L-2022-SPR-0003)

Dear Timothy Knowles:

This refers to letter 21G-22-0036 dated March 11, 2022 (Agencywide Documents Access and Management System [ADAMS] Accession No. ML22073A021), in which Nuclear Fuel Services, Inc. (NFS) requested approval of a modification to license Condition SG-3.8 which was added to Materials License SNM-124 as an exemption from certain provisions of Title 10 of the *Code of Federal Regulations* (10 CFR), Paragraph 73.46(b)(9). Specifically, due to the impacts of COVID-19 in Erwin, Tennessee, NFS requested an exemption from the requirement pertaining to the annual observation of a force-on-force exercise by the U.S. Nuclear Regulatory Commission (NRC) for calendar year 2021.

The NRC staff has completed its review and determined that issuance of this exemption and license amendment is authorized by law, will not endanger life or property or the common defense and security, and is in the public interest.

Pursuant to 10 CFR Part 70, "Domestic Licensing of Special Nuclear Materials," Materials License SNM-124 is hereby amended to delete Condition SG-3.8:

SG-3.8 Deleted per Amendment 17.

All other license conditions shall remain the same.

Enclosures 1 and 2 to this letter provide the amended Materials License SNM-124. The NRC staff's review is documented in the Safeguards Evaluation Report, which is Enclosure 3 to this letter. This letter concludes action on the referenced submittals, and Enterprise Project Identifier L-2022-SPR-0003 is considered **CLOSED**.

Enclosure 2 contains security-related information. Accordingly, it is marked as Official Use Only and is withheld from public disclosure. When separated from the sensitive enclosure, this letter,

Documents transmitted by this letter contain **Security-Related Information**. When separated from Enclosure 2, this letter and Enclosures 1 and 3 are decontrolled.

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Enclosure 1, and Enclosure 3 are decontrolled and publicly available, in accordance with 10 CFR 2.390, "Public inspections, exemptions, requests for withholding," of the NRC's "Agency Rules of Practice and Procedure."

A copy of this letter, Enclosure 1, and Enclosure 3 will be available for public inspection in the NRC Public Document Room (PDR) or electronically from the Publicly Available Records System component of ADAMS. The PDR is currently closed. You may submit your request to the PDR via e-mail at PDR.Resource@nrc.gov or call 1-800-397-4209 between 8:00 a.m. and 4:00 p.m. (EST), Monday through Friday, except Federal holidays. The ADAMS database is accessible from the NRC website at <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions regarding this matter, please contact James Downs of my staff at 301-415-7744 or by email to James.Downs@nrc.gov.

Sincerely,

Jacob I. Zimmerman, Chief
Fuel Facility Licensing Branch
Division of Fuel Management
Office of Nuclear Material Safety
and Safeguards

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

Enclosures:

1. Amendment 17 to Materials License
SNM-124
2. Amendment 17 to Materials License
SNM-124 (Non-Public)
3. Safeguards Evaluation Report

cc: nfs@listmgr.nrc.gov

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