

intended objectives and avoid any unforeseen effect on safe operation.

By letter dated July 3, 2003, NFS consented to this Order with the commitments as described in Section IV below. NFS further agreed in its July 3, 2003, letter that this Order is to be effective upon issuance and that it has waived its right to a hearing. Implementation of this commitment provides enhanced assurance that sufficient resources will be applied to the physical protection program.

I find that NFS' commitment as set forth in its letters of March 25 and July 3, 2003, is acceptable and necessary, and conclude that with this commitment, the public health and safety, and common defense and security, are reasonably assured. In view of the foregoing, I have determined that the public health and safety, and common defense and security, require that NFS' commitment be confirmed by this Order. Based on the above and NFS' consent, this Order is immediately effective upon issuance.

IV

Accordingly, pursuant to Sections 53, 63, 81, 161b, 161i, 161o, 182 and 186 of the Atomic Energy Act of 1954, as amended, and the Commission's regulations in 10 CFR 2.202 and 10 CFR part 70, *it is hereby ordered, effective immediately, that material license SNM-124 is modified as follows:*

A. NFS shall, notwithstanding the provisions of any Commission regulation or license to the contrary, comply with the requirements described in Attachment 1 to this Order. NFS shall immediately start implementation of the requirements in Attachment 1 to the Order and shall complete implementation *before the introduction of Category III quantities of special nuclear material into the Blended Low-Enriched Uranium Complex.*

B. NFS shall report to the Commission when it has achieved full compliance with the requirements described in Attachment 1.

C. Notwithstanding any provision of the Commission's regulations to the contrary, all measures implemented or actions taken in response to this Order shall be maintained until the Commission determines otherwise.

NFS's response to Condition B above shall be submitted in accordance with 10 CFR 70.5. In addition, NFS's submittals that contain safeguards information shall be properly marked and handled in accordance with 10 CFR 73.21.

The Director, Office of Nuclear Material Safety and Safeguards, may, in writing, relax or rescind any of the

above conditions upon demonstration by NFS of good cause.

V

Any person adversely affected by this Confirmatory Order, other than the Licensee, may request a hearing within twenty (20) days of its issuance. Where good cause is shown, consideration will be given to extending the time to request a hearing. A request for extension of time must be made in writing to the Director, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Washington, DC 20555, and include a statement of good cause for the extension. Any request for a hearing shall be submitted to the Secretary, Office of the Secretary of the Commission, U.S. Nuclear Regulatory Commission, ATTN: Rulemakings and Adjudications Staff, Washington, DC 20555. Copies also shall be sent to the Director, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Washington, DC 20555, to the Assistant General Counsel for Materials Litigation and Enforcement at the same address, to the Regional Administrator, NRC Region II, Sam Nunn Atlanta Federal Center, Suite 23 T85, 61 Forsyth Street, SW Atlanta, GA 30303-3415, and to NFS. Because of possible disruptions in delivery of mail to United States Government offices, it is requested that answers and requests for hearing be transmitted to the Secretary of the Commission either by means of facsimile transmission to 301-415-1101 or by e-mail to hearingdocket@nrc.gov and also to the Office of the General Counsel either by means of facsimile transmission to 301-415-3725 or by e-mail to OGCMailCenter@nrc.gov. If a person requests a hearing, that person shall set forth with particularity the manner in which his interest is adversely affected by this Order and shall address the criteria set forth in 10 CFR 2.714(d).

If a hearing is requested by a person whose interest is adversely affected, the Commission will issue an Order designating the time and place of any hearing. If a hearing is held, the issue to be considered at such hearing shall be whether this Order should be sustained.

In the absence of any request for hearing, or written approval of an extension of time in which to request a hearing, the provisions specified in Section IV above shall be final twenty (20) days from the date of this Order without further order or proceedings. If an extension of time for requesting a hearing has been approved, the provisions specified in Section IV shall be final when the extension expires if a

hearing request has not been received. *An answer or a request for hearing shall not stay the immediate effectiveness of this order.*

For the Nuclear Regulatory Commission.
Dated this 8th day of July, 2003.

Martin J. Virgilio,

Director, Office of Nuclear Material Safety and Safeguards.

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NUCLEAR REGULATORY COMMISSION

[Docket No. 70-143]

Notice of Issuance of License Amendment 39 for Nuclear Fuel Services, Inc., Blended Low-enriched Uranium Project Uranyl Nitrate Building

ACTION: Notice of issuance of Amendment 39 to Materials License SNM-124.

FOR FURTHER INFORMATION CONTACT:

Mary Adams, Fuel Cycle and Safety Branch, Office of Nuclear Materials, Safety and Safeguards, 11554 Rockville Pike, Rockville, MD 20852; telephone (301) 415-7249; or by e-mail at mta@nrc.gov.

SUPPLEMENTARY INFORMATION: Pursuant to 10 CFR 2.106, the U.S. Nuclear Regulatory Commission (NRC) is noticing the issuance of Amendment 39 to Special Nuclear Material License SNM-124, held by Fuel Services, Inc., (NFS) to authorize: (1) The receipt and storage of low-enriched uranyl nitrate solution in a new uranyl nitrate storage building and (2) the possession and use of an increased quantity of special nuclear material at the NFS facility located in Erwin, TN.

This amendment complies with the standards and requirements of the Atomic Energy Act of 1954 as amended, and NRC's rules and regulations as set forth in 10 CFR chapter 1. Accordingly, this amendment was issued on July 7, 2003, and is effective immediately.

NRC prepared a non-proprietary (public) version of the Safety Evaluation Report (SER) that documents the information that was reviewed and NRC's conclusions. This SER is included in the license amendment package which is available electronically for public inspection and copying for a fee in the NRC Public Document Room, One White Flint North Building, 11555 Rockville, MD 20852, or from the Publicly Available Records (PARS) component of NRC's Agency-wide Documents Access and