

March 19, 2004

SAFEGUARDS INFORMATION

Mr. Rod Krich, Vice President
Licensing, Safety, and Nuclear Engineering
Louisiana Energy Services
2600 Virginia Avenue NW, Suite 610
Washington, DC 20037

SUBJECT: LOUISIANA ENERGY SERVICES PROJECT PHYSICAL PROTECTION
GUIDANCE

Dear Mr. Krich:

In previous discussions, you indicated a desire for any new guidance with respect to physical security requirements applicable to your license application for a gas centrifuge enrichment plant. In these discussions, you indicated that you are using the Category III Fuel Cycle Facility Interim Compensatory Measures (ICM) Orders as a basis for your physical security program and you requested guidance on the applicability of this information to the Louisiana Energy Services application.

The existing regulations in 10 CFR Parts 70, 73, and 74 provide the basis for the physical protection and materials control and accounting requirements needed for a gas centrifuge enrichment facility. The Commission has imposed ICMs on existing Category III fuel cycle facility licensees to address the current threat environment. These ICMs are attached for your information and general consideration. Under these ICMs, current Category III fuel cycle facilities must identify critical target areas, if any, and provide a means for protecting the critical target areas. Critical target areas are determined based on radiological exposures and exposures to chemicals related to licensed radioactive materials.

U.S. Nuclear Regulatory Commission regulations are, of course, subject to revision through rulemaking. The ICMs could be altered if a significant change in the threat environment has occurred, or the Commission determines that other changes are needed. We will endeavor to keep you informed of any potential changes to the Commission's regulations or any changes to supplemental safeguards that could be the subject of subsequent orders to future licensees.

We are also providing for your information the most current advisory information provided to Category III fuel cycle facilities.

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R. Krich

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If you have any questions, please contact Mr. Timothy C. Johnson at 301-415-7299.

Sincerely,

/RA/

Joseph G. Giitter, Chief
Special Projects Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Enclosure: Category III ICMs
Current Advisory Information

Docket No. 70-3103

cc: w/o Enclosure
William Szymanski/DOE
James Curtiss/W&S
Peter Miner/USEC
James Ferland/LES
Dennis Holmberg/Lea County
James Brown/Eunice
Monty Newman/Hobbs
Michael Marriotte/NIRS
Lee Cheney/CNIC
Claydean Claiborne/Jal
Troy Harris/Lovington
Betty Rickman/Tatum
Glen Hackler/Andrews
William Floyd/New Mexico
Richard Ratliff/Texas
Jerry Clift/Hartsville
Derrith Watchman-Moore/New Mexico

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