September 23, 2004

MEMORANDUM TO: Joseph G. Giitter, Chief

Special Projects Branch Division of Fuel Cycle Safety

and Safeguards

THRU: Brian W. Smith, Chief /RA/

Gas Centrifuge Facility Licensing Section

Special Projects Branch, FCSS

FROM: Timothy C. Johnson, Project Manager /RA/

Gas Centrifuge Facility Licensing Section

Special Projects Branch, FCSS

SUBJECT: SEPTEMBER 21, 2004, TELEPHONE SUMMARY: LOUISIANA

ENERGY SERVICES DISCUSSIONS ON HEALTH PHYSICS, ELECTRICAL, AND MATERIALS CONTROL AND ACCOUNTING

ISSUES

On September 21, 2004, the U.S. Nuclear Regulatory Commission (NRC) staff held a telephone conference call with staff from Louisiana Energy Services (LES) to discuss health physics, electrical, and material control and accounting issues related to the LES uranium enrichment plant proposed to be built in Eunice, New Mexico. I am attaching the telephone summary for your use. The summary contains no proprietary or classified information.

Docket: 70-3103

Attachment: Louisiana Energy Services

Telephone Summary

cc: William Szymanski/DOE
Monty Newman/Hobbs
Peter Miner/USEC
Glen Hackler/Andrews
James Brown/Eunice
Jerry Clift/Hartsville

Derrith Watchman-Moore/NMED

Clay Clarke/NMED Lindsay Lovejoy/NIRS Claydean Claiborne/Jal James Curtiss/W&S Betty Richman/Tatum Dennis Holmberg/Lea Cty Richard Ratliff/Texas CO'Claire/Ohio Joseph Malherek/PC Patricia Madrid/NMAG Rod Krich/LES Troy Harris/Lovington James Ferland/LES William Floyd/NMED M. Marriotte/NIRS Lee Cheney/CNIC Ron Curry/NMED Glenn Smith/NMAG MEMORANDUM TO: Joseph G. Giitter, Chief

Special Projects Branch
Division of Fuel Cycle Safety

and Safeguards

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Glenn Smith/NMAG

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Patricia Madrid/NMAG

Lindsay Lovejoy/NIRS

Clay Clarke/NMED

DISTRIBUTION: Docket 70-3103

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LES website - No

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| OFFICE | GCFLS | | GCFLS | | GCFLS | |
| NAME | TJohnson | | LMarshall | | BSmith | |
| DATE | 09/22/04 | | 09/23/04 | | 09/23/04 | |

OFFICIAL RECORD COPY

Telephone Conference Call Summary

Health Physics, Electrical, and Material Control and Accounting

Date and Time: 11:00 AM; September 21, 2004

Call Participants: F. Burrows/NRC A. Pal/NRC

S. Cross/NRC T. Pham/NRC
T.C. Johnson/NRC R. Krich/LES
D. Green/Excel G. Harper/Areva
N. Pazarino/Areva D. Pepe/Areva

On September 21, 2004, a conference call between U.S. Nuclear Regulatory Commission (NRC) and Louisiana Energy Services (LES) staffs was held to discuss health physics, electrical, and material control and accounting (MC&A) issues related to LES' application for a uranium enrichment facility proposed to be located in Eunice, New Mexico.

In the health physics area, NRC staff requested clarification that with the expanded restricted area proposed by LES, LES would retain its commitments to conduct all work under Radiation Work Permits and would provide personnel monitoring devices to all personnel entering the Restricted Area. LES staff confirmed that this would be the case. For routine activities not affecting radiological safety, it would create standing Radiation Work Permits. It would also require all individuals entering the Restricted Area to have radiation monitoring devices and undergo the appropriate training including those individuals not involved in radiological activities.

Text removed under 10 CFR 2.390.

In the MC&A area, NRC staff indicated that for RAIs FM-8 and FM-9, NRC requested procedures for compliance items 1.10.2 and 1.10.3. LES had agreed to provide these procedures in its response. NRC staff clarified that it did want a description of the contents of the procedures in the Fundamental Nuclear Material Control (FNMC) Plan. LES agreed to provide this information.

NRC staff indicated that in Section 2.3.3 of the FNMC Plan, LES was proposing that the U-235 mass of the gamma-ray assay counter is recorded to the nearest 0.01kilogram (or 10 grams). However, this counter should measure U-235 down to the gram level in order to meet the reporting requirements in 10 CFR 74.13 and 74.15. LES staff indicated that it would review the counter's capabilities and revise the commitment to have a minimum measurement capability at the gram level.

NRC staff indicated that for RAI FM-65, LES needs to include a program for independent sampling and measurements to ensure that unauthorized activities do not take place. LES agreed to review this area and provide such a capability.

LES staff indicated that it would provide a letter clarifying its positions as discussed above and would provide change pages reflecting the changes at a later date.