

January 13, 2005

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 /RA/  
Senior Project Manager  
Gas Centrifuge Facility Licensing Section  
Special Projects Branch, FCSS

SUBJECT: JANUARY 12, 2005, MEETING SUMMARY: LOUISIANA ENERGY  
SERVICES QUARTERLY MANAGEMENT MEETING

On January 12, 2005, U.S. Nuclear Regulatory Commission (NRC) staff met with management staff from Louisiana Energy Services (LES) to discuss management issues applicable to the LES gas centrifuge uranium enrichment plant project proposed to be located in Eunice, New Mexico. I am attaching the meeting summary for your use. This summary contains no proprietary or classified information.

Docket: 70-3103

Attachment: Louisiana Energy Services  
Meeting Summary

cc:	William Szymanski/DOE	Claydean Claiborne/Jal	Rod Krich/LES
	Monty Newman/Hobbs	James Curtiss/W&S	Troy Harris/Lovington
	Peter Miner/USEC	Betty Richman/Tatum	James Ferland/LES
	Glen Hackler/Andrews	William Floyd/New Mexico	James Brown/Eunice
	Lue Ethridge/Lea County	Richard Ratliff/Texas	Lee Cheney/CNIC
	Michael Marriotte/NIRS	Jerry Clift/Hartsville	CO'Claire/Ohio
	Derrith Watchman-Moore/NM	Joseph Malherek/PC	Ron Curry/NMED
	Tannis Fox/NMED	Patricia Madrid/NMAG	Glen Smith/NMAG
	Lindsay Lovejoy/NIRS		

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Hearing file

LES Website-YES

**ML050140065** (Package) **ML050140069** (Memo) **ML050140377** (Attachment)

C = COVER		E = COVER & ENCLOSURE		N = NO COPY	
OFC	GCFLS		GCFLS		GCFLS
NAME	TCJohnson:os	LMarshall		BSmith	
DATE	1/12/05	1/13/05		1/13/05	

Summary of  
Louisiana Energy Services Quarterly Management Meeting

Dates: January 12, 2005

Place: U.S. Nuclear Regulatory Commission (NRC) offices  
Rockville, MD

Attendees: See Attachment 1

Purpose:

The purpose of this meeting was to discuss project management issues applicable to the proposed Louisiana Energy Services (LES) gas centrifuge uranium enrichment plant project. The meeting agenda is in Attachment 2.

Discussion:

After introductions, Mr. Jack Strosnider, Director of the Office of Nuclear Material Safety and Safeguards, stated that the comment period on the Draft Environmental Impact Statement (EIS) closed on January 7, 2005. He also stated that NRC staff just completed the redaction of sensitive LES documents. Mr. Strosnider indicated that staff wants to beat the 30-month schedule set up by the Commission. He stated that the evidentiary part of the hearing begins next month and that the communications and cooperation LES staff has provided has been good.

Mr. James Ferland, President and Chief Executive Officer of LES, provided introductory remarks indicating that he agreed that cooperation was key to meeting the schedules and that it has been good. He also said that he appreciates the effort that the staff made in redacting documents so that the hearing schedule will not be delayed. He recognized that the staff has to balance security implications with the public's right to know.

Mr. Brian Smith then discussed the current licensing status of the project stating that the project is currently on schedule. Mr. Smith indicated that NRC staff is trying to beat the 30-month schedule and the goal for completing the Safety Evaluation Report and EIS is June 2005.

Mr. Smith indicated that the primary technical issues remaining are as follows:

1. Criticality safety. NRC staff reviewed the information provided by LES and will have an in-office review of this information on January 14, 2005.
2. Decommissioning funding plan. NRC staff received two responses to Request for Additional Information (RAIs) and is reviewing them. He expects that a conference call will be needed to get clarification in several areas.
3. Foreign Ownership, Control, or Influence (FOCI). The U.S. Department of Energy (DOE) indicated that it is satisfied with the information provided and will be providing a letter to the NRC documenting their review.

Mr. Smith indicated that information provided to address chemical exposure limits is acceptable and no further information is needed. In addition, NRC staff reviewed the LES response to an RAI on transportation security and held a conference call to clarify one point. LES agreed to make the change and will provide a revision to the physical security plan addressing this issue.

Anna Bradford discussed the status of the EIS preparation. She indicated that the public comment period for the Draft EIS closed on January 7, 2005, and she has received about 260 comments. She indicated that the EIS preparation is on schedule to issue the Final EIS in June 2005, but she is looking to try to find ways to complete the document sooner. She said that the extensions of the Draft EIS comment period did not affect the schedule for issuing the Final EIS. Ms. Bradford indicated that her staff is preparing an RAI needed to address public comments and to complete the Final EIS. The RAI letter is scheduled to be sent out at the end of January 2005. Ms. Bradford also indicated that the Memorandum of Understanding (MOU) on cultural sites is being completed and contacts are being made with Native American tribal groups that did not respond to the request for comments on the documents. She said that she expects no problems in completing the MOU.

Mr. James Ferland then discussed the project from the LES perspective (see Attachment 3). He stated that he appreciates the effort made to redact sensitive documents so that the hearing schedule will not be adversely affected. He said that LES will also screen its submittals to help NRC staff in this area. He also indicated that LES is ready to begin discussions on the construction inspection and readiness review inspections. LES is also ready for quality assurance audits that have been under discussion with NRC staff.

Regarding the open technical issues, Mr. Ferland stated that LES is eager to resolve the remaining criticality safety issues. He said that he understands some of the concerns relate to the development of final designs. LES is also eager to receive the DOE letter resolving the FOCI issues.

Mr. Ferland indicated that LES signed a contract with the Shaw Group to provide architect-engineer (AE) services for the project. He expects that the AE team will be fully staffed within 4 weeks, and LES will integrate this team with staff from Urenco. He said that civil and structure design is scheduled to be complete by December 2005 and the remaining design effort by Summer 2006. Construction is scheduled to begin in Summer 2006.

#### Action Items

None.

#### Attachments

1. Attendee list
2. Meeting agenda
3. LES presentation handouts