

June 27, 2006

MEMORANDUM TO: Joseph Giitter, Chief
Special Projects Branch
Division of Fuel Cycle Safety
and Safeguards

THRU: Brian Smith, Chief
Gas Centrifuge Facility Licensing Section
Special Projects Branch, FCSS

FROM: William M. Troskoski, Sr. Engineer
Mixed Oxide Facility Licensing Section \RA\
Special Projects Branch, FCSS

Paul M. Bell, Lead Quality Assurance Engineer
Mixed Oxide Facility Licensing Section
Special Projects Branch, FCSS

SUBJECT: MAY 23-25, 2006, LOUISIANA ENERGY SERVICES NATIONAL ENRICHMENT
FACILITY QUALITY ASSURANCE PROGRAM ONSITE REVIEW

On May 23-25, 2006, U.S. Nuclear Regulatory Commission (NRC) staff conducted an onsite review of the Quality Assurance Program for the Louisiana Energy Services (LES) National Enrichment Facility (NEF) gas centrifuge uranium enrichment project proposed to be located in Lea County, New Mexico. The review took place in the Shaw Group Engineering office in Cherry Hill, New Jersey. I am attaching a meeting summary for your use.

Enclosure: Louisiana Energy Services Meeting Summary

Docket: 70-3103

Louisiana Energy Services National enrichment Facility

Quality Assurance Program Onsite Review

Dates: May 23-25, 2006

Place: Shaw Group Engineering Office
Cherry Hill, New Jersey

NRC Attendees: William M. Troskoski
Paul M. Bell

Purpose:

The purpose of this third onsite review was to confirm that the applicant was providing appropriate oversight of the various engineering and design activities for the National Enrichment Facility (NEF) through implementation of its Quality Assurance (QA) Program. The review also included the applicant's work to date in defining the Items-Relied-On-For-Safety (IROFS) boundary packages and the Safe-By-Design boundary packages.

Discussion:

The staff met with representatives of Louisiana Energy Services (LES) and its architect-engineer (AE), Nuclear Technology Solutions (NTS), at the Shaw Group engineering offices in Cherry Hill, New Jersey, to discuss the overall project status and QA program implementation. The following significant items were reviewed:

- The applicant has contracted the design and engineering work to two different engineering firms: (1) NTS for the balance of plant, and (2) ETC for the classified systems, equipment and components. The applicant was in the process of developing a contract with the Washington Group International (WGI) for construction management. WGI may, in turn, subcontract various construction and procurement activities. At the time of this review, the exact organizational responsibilities for the performance of QA oversight of the procurement and construction activities performed by contractors and vendors were yet to be finalized.
- At the time of this review, NTS had not completed any of the IROFS boundary packages. Although several packages had been initiated at the lead engineer level, none were developed to the point where a meaningful technical review could be conducted by the staff. No classified IROFS boundary packages were available from ETC. All work provided by ETC will be required to undergo an "Americanization" review to ensure that the applicable codes, standards and practices are met. No Safe-By-Design boundary package work had been initiated.
- The start of Category I construction activities is expected as soon as the license is issued. The first phase will involve the preparation of a site berm. A batch concrete plant will then be built and operated by a vendor with an existing approved NQA program.

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On May 23-25, 2006, U.S. Nuclear Regulatory Commission (NRC) staff conducted an onsite review of the Quality Assurance Program for the Louisiana Energy Services (LES) National Enrichment Facility (NEF) gas centrifuge uranium enrichment project proposed to be located in Hobbs, New Mexico. The review took place in the Shaw Group Engineering office in Cherry Hill, New Jersey. I am attaching a meeting summary for your use.

Enclosure: Louisiana Energy Services Meeting Summary

Docket: 70-3103

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OFC	MOFLS	MOFLS	GCFLS	
NAME	WTroskoski	PBell	BSmith	
DATE	06/27 /06	06 /27/06	06/ 27/06	06 / /06

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