

December 26, 2006

MEMORANDUM TO: Gary Janosko, Deputy Director
Fuel Facility Licensing Directorate
Division of Fuel Cycle Safety
and Safeguards

THRU: Brian W. Smith, Chief /RA by Michael Raddatz for/
Enrichment and Conversion Branch
Division of Fuel Cycle Safety
and Safeguards

FROM: Timothy C. Johnson
Senior Project Manager
Enrichment and Conversion Branch
Division of Fuel Cycle Safety
and Safeguards

SUBJECT: DECEMBER 12, 2006, MEETING SUMMARY: LOUISIANA
ENERGY SERVICES MANAGEMENT MEETING

On December 12, 2006, United States 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 in Lea County, New Mexico. I am attaching the meeting summary for your use. This summary contains no proprietary or classified information.

Docket: 70-3103

Enclosure: Louisiana Energy Services
Meeting Summary

cc:	William Szymanski/DOE	Fred Seifts/Jal	Karl Gross/LES
	Monty Newman/Hobbs	David Trujillo/Lovington	James Curtiss/W&S
	Reinhard Hinterreither/LES	Peter Miner/USEC	Betty Richman/Tatum
	Glen Hackler/Andrews	Cindy Padilla/NMED	Matt White/Eunice
	Lue Ethridge/Lea County	Richard Ratliff/Texas	Lee Cheney/CNIC
	Michael Marriotte/NIRS	CO'Claire/Ohio	John Parker/NMED
	Derrith Watchman-Moore/NM	Joseph Malherek/PC	Ron Curry/NMED
	Tannis Fox/NMED	Patricia Madrid/NMAG	Glen Smith/NMAG
	Lindsay Lovejoy/NIRS	Roger Mulder/Texas	John Swailes/LES

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FROM: Timothy C. Johnson
Senior Project Manager
Enrichment and Conversion Branch
Division of Fuel Cycle Safety
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SUBJECT: DECEMBER 12, 2006, MEETING SUMMARY: LOUISIANA ENERGY
SERVICES MANAGEMENT MEETING

On December 12, 2006, United States 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 in Lea County, New Mexico. I am attaching the meeting summary for your use. This summary contains no proprietary or classified information.

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LES Website-YES			

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OFC	ECB		ECB		ECB	
NAME	TCJohnson:		LWilliamson		Bsmith/RA/ by: M. Raddatz	
DATE	12/18/06		12/26/06		12/26/06	

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Summary of
Louisiana Energy Services Management Meeting

Date: December 12, 2006

Place: United States 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 since the last management meeting in May 2006, the license to construct and operate the LES uranium enrichment plant was issued. He also stated that inspection efforts of LES construction activities are beginning, including an inspection currently in progress in Eunice addressing quality assurance and the initial backfilling of soils prior to building construction. Mr. Strosnider indicated that the staff is also involved in several security efforts.

Mr. Timothy Johnson then discussed the current licensing status of the project. He stated that, since the last management meeting, the staff issued the LES license on June 23, 2006, the staff held a public meeting in Eunice to discuss the NRC's inspection program in August, staff attended a public meeting held by the New Mexico Environment Department on the LES ground water discharge permit, and the staff are reviewing LES submittals on organization changes, Foreign Ownership, Control, and Influence (FOCI) document changes, and a facility clearance application. Mr. Johnson also indicated that it understands LES is considering applying for a facility expansion and, if LES decides on this option, NRC staff wants to begin discussing licensing issues at an early stage and to include these activities in future budget requests.

Ms. Margaret Bupp discussed the hearing status and stated that Nuclear Information Resource Service and Public Citizen had submitted a petition to appeal the Atomic Safety and Licensing Board and Commission's decisions on the licensing of the LES facility. The appeals court, however, has yet to prepare a hearing schedule.

Ms. Lynn Silvius discussed the status of facility clearances and meetings, held on December 6-7, 2006, with the Quadripartite Working Group (QWG) on classified information technology and on transportation security. She indicated that NRC is preparing a letter to the U.S. Department of Energy (DOE) requesting that DOE become the sponsoring agency for equipment and information technology networks for classified information. She also stated that her staff is beginning the review of the facility clearance application for an on-site facility and a review of the FOCI document changes.

Enclosure

Ms. Sandra Schoenmann discussed the status of personnel clearance application reviews. She stated that staff is processing the applications. LES staff indicated that 350 to 400 clearances, mostly "L" clearances, would be needed.

Mr. Johnson indicated that a pre-inspection meeting on construction issues had taken place in November 2006 and that an inspection on the backfilling operations and quality assurance was underway in Eunice. He also indicated that Region II and LES will conduct periodic management meetings related to inspection issues.

Mr. Reinhard Hinterreither then discussed the project from the LES perspective (see Attachment 3). He identified new management staff within the LES organization and the status of the construction effort. He indicated that backfilling has begun for seismically qualified buildings under Quality Level 1 standards. He said that procedures and practices are in place to perform the Quality Level 1 work. Mr. Hinterreither also discussed facility staffing, saying that over 70 employees had been hired. He also indicated that the configuration management program is now in-place, LES is working closely with their European counterparts, and that LES is actively participating in industry groups, such as the Nuclear Energy Institute.

Mr. Hinterreither discussed near-term construction activities, including backfilling and qualification of the concrete batch plant. He also discussed coordination with Region II staff on the ongoing inspection in Eunice and a quality assurance team inspection to be conducted in January 2007. He said that a trailer for NRC inspector use would be available later in December.

Regarding security issues, Mr. Hinterreither discussed the need for personnel clearances and their timely review.

Finally, Mr. Hinterreither concluded by saying he appreciated the good communications and cooperation with NRC staff and stated that continued effort is needed to obtain personnel clearances, to resolve international issues, and for close inspection coordination.

Before concluding the meeting, Mr. Strosnider indicated that it is NRC staff intention to stay off LES critical paths and, therefore, early discussions of LES needs is necessary to minimize impacts to LES schedules.

Action Items

None.

Attachments

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