

July 11, 2008

Mr. Stephen Cowne
Licensing Director
Louisiana Energy Services, L.L.C.
P.O. Box 1789
Eunice, NM 88231

SUBJECT: REVIEW OF LOUISIANA ENERGY SERVICES STANDARD PRACTICE
PROCEDURES PLAN FOR THE PROTECTION OF CLASSIFIED MATTER,
REVISION 4

Dear Mr. Cowne:

On February 4, 2008, the Louisiana Energy Services (LES) transmitted the "Standard Practice Procedure Plan for the Protection of Classified Matter (SPPP) at the National Enrichment Facility," Revision 4, to the U.S. Nuclear Regulatory Commission (NRC) for review and approval. This revision addressed the International Standards Organization Container Storage Pad (ISOPAD), which will be used for the storage of containers containing classified matter.

Under the regulations in Title 10 of the *Code of Federal Regulations* (10 CFR), Part 70.22(m), for the protection of classified matter, an applicant must describe the facility's proposed security procedures and controls, as set forth in 10 CFR Parts 25 and 95. The staff reviewed Revision 4 of the SPPP for compliance with 10 CFR Parts 25 and 95 using "Standard Practice Procedure Plan Standard Format and Content for the Protection of Classified Matter for NRC Licensee, Certificate Holder and Others Regulated by the Commission." The staff also evaluated the information provided in the SPPP to ensure that classified matter will be used, processed, stored, reproduced, transmitted, transported, and destroyed under conditions that will provide adequate protection and prevent access by unauthorized persons.

Our review consisted of: (1) a review of the SPPP, dated February 4, 2008; (2) the May 1, 2008 and May 7, 2008 email responses to requests for additional information (RAI); (3) responses, dated June 26, 2008, to findings and observations from our May 15, 2008, readiness review in NRC Inspection Report No. 07003103/2008202, dated June 10, 2008; and (4) photographs documenting the resolution of needed changes in emails dated July 8, 2008. Based on our review, we determined that Revision 4 of the SPPP is acceptable for implementation and the ISOPAD is approved for temporary storage of containers containing classified matter.

In the review of the RAI responses, staff determined that the physical security attributes associated with the ISOPAD ensures that classified material will be protected in accordance with 10 CFR Part 95 requirements.

Therefore, based on the above review, Revision 4 to the LES SPPP is acceptable and the SPPP is in compliance with 10 CFR Part 95 requirements. We will amend the LES License to reflect the approved revision to this SPPP when we receive the final page changes addressed in

the redline-strikeout version in your June 26, 2008 letter. Please provide the final page changes within 30 days of the date of this letter.

An environmental assessment for this action is not required, since this action is categorically excluded under 10 CFR 51.22(c)(11).

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

If you have any questions, please contact Mr. Timothy C. Johnson at (301) 492-3121.

Sincerely,

/RA/

Michael D. Tschiltz, Deputy Director
Fuel Facility Licensing Directorate
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No.: 70-3103
License No.: SNM-2010

cc:

William Szymanski/DOE
Gary Don Reagan/Hobbs
Cindy Padilla/NMED
Glen Hackler/Andrews
Gary Schubert/Lea County
Michael Marriotte/NIRS
Derrith Watchman-Moore/NMED
Tannis Fox/NMED
Lindsay Lovejoy/NIRS

Lorenzo Chacon/Jal
Daniel Stenger/H&H
Betty Rickman/Tatum
William Floyd/New Mexico
Richard Ratliff/Texas
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Joseph Malherek/PC
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