

October 29, 2008

Mr. Stephen Cowne, Director
Quality and Regulatory Affairs
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 4b AND ISOPAD MODIFICATIONS

Dear Mr. Cowne:

On September 4, 2008, the Louisiana Energy Services (LES) transmitted a license amendment request to amend the "Standard Practice Procedure Plan for the Protection of Classified Matter (SPPP) at the National Enrichment Facility," Revision 4b, to the U.S. Nuclear Regulatory Commission (NRC) for review and approval. This revision addressed the addition of secure telephone equipment. On October 6, 2008, LES submitted a response to an NRC request for additional information (RAI) dated September 26, 2008.

On October 16, 2008, LES submitted information on modifications it had made to the International Standards Organization Container Storage Pad (ISOPAD), which will be used for the storage of containers containing classified matter. On October 21, 2008, photographs of the modifications were provided by email.

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 4b 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, Revision 4b, dated September 4, 2008; and (2) the October 6, 2008 responses to the request for additional information. We also reviewed page changes for the ISOPAD modifications and photographs of the modifications transmitted by email on October 21, 2008. Based on our review, we determined that Revision 4b of the SPPP is acceptable for implementation and the ISOPAD modifications are approved for temporary storage of containers containing classified matter.

In the review of the RAI responses, staff determined that the use of the secure telephone equipment and 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 4b to the LES SPPP and the ISOPAD modifications are 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 October 6, 2008 and October 16, 2008 letters. 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
Jon Goldstein/NMED
Tannis Fox/NMED
Lindsay Lovejoy/NIRS

Alton Dunn/Jal
Daniel Stenger/H&H
Betty Rickman/Tatum
Matt White/Eunice
Richard Ratliff/Texas
CO'Claire/Ohio
Joseph Malherek/PC
Patricia Madrid/NMAG
Clint Williamson/LES

Gregory Smith/LES
David Trujillo/Lovington
Reinhard Hinterreither/LES
John Parker/NMED
Lee Cheney/CNIC
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