

January 27, 2009

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 5

Dear Mr. Cowne:

On September 5, 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 5, to the U.S. Nuclear Regulatory Commission (NRC) for review and approval. This revision addressed classified matter controls for Separations Building Module 1 (SBM1).

Under the regulations in Title *10 Code of Federal Registration* (10CFR), Section 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 5 of the SPPP, for compliance with 10 CFR Parts 25 and 95 using "SPPP 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) an evaluation of the SPPP, dated September 5, 2008; (2) the November 20, 2008, response to a request for additional information (RAI), dated October 29, 2008; and (3) observations made during a site visit of the Centrifuge Assembly Building dated December 2 and 3, 2008. Based on our review, we determined that Revision 5 of the SPPP is acceptable.

Therefore, based on the above review, Revision 5 to the LES SPPP is acceptable for implementation and the SPPP is in compliance with 10 CFR Part 95 requirements. However, this approval is not effective until the NRC has conducted an on site review of the entire SBM1. The SBM1 evaluation is scheduled for the week of January 26, 2008. Once that review is complete, NRC staff will issue its approval to use, process, and handle classified material up to and including CONFIDENTIAL-Restricted Data in SBM1.

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 September 5, 2008, letter and any applicable changes made to reflect resolution of RAI responses and NRC inspection.

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:

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