

FEB 14 2011

LES-11-00028-NRC

ATTN: Document Control Desk  
Office of Nuclear Material Safety and Safeguards  
U. S. Nuclear Regulatory Commission  
Washington, D.C. 20555-0001

Louisiana Energy Services, LLC  
NRC Docket Number: 70-3103

Subject: Reply to Notice of Violation 70-3103/2010-003

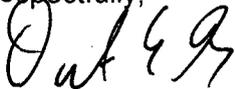
Reference: 1. Letter from D. Seymour (NRC) to D. Sexton (LES), NRC Inspection Report No. 70-3103/2010-003 and Notice of Violation, dated December 17, 2010  
2. LES-11-00008-NRC, Extension Request for Reply to Notice of Violation 70-3103/2010-003, dated January 14, 2011

In response to the Ref. 1 Notice of Violation (Notice), and consistent with the Ref. 2 extension request, URENCO USA (UUSA) herewith provides the enclosed reply (Enclosure). This violation relates to Section 16, "Corrective Action," of UUSA's Quality Assurance Program Description (QAPD).

Pursuant to instructions specified in the Notice, the enclosed UUSA reply (Enclosure) includes for the violation: 1) the reason for the violation; 2) the corrective steps that have been taken and the results achieved; 3) the corrective steps that will be taken; and 4) the date when full compliance will be achieved.

Should there be any questions regarding this submittal, please contact Wyatt Padgett, LES Licensing Manager, at 575.394.5257.

Respectfully,



David E. Sexton  
Chief Nuclear Officer and Vice President of Operations

Enclosure: Reply to Notice of Violation 07-3101/2010-003

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cc:

Deborah A. Seymour  
Chief, Construction Projects Branch 1  
US NRC, Region II  
245 Peachtree Center Ave, NE  
Suite 1200  
Atlanta, GA 30303-1257

Joselito O. Calle  
Acting Chief, Fuel Facility Branch 2  
USNRC, Region II  
245 Peachtree Center Ave, NE  
Suite 1200  
Atlanta, GA 30303-1257

Anthony T. Gody  
Deputy Director, Construction Projects  
US NRC, Region II  
245 Peachtree Center Ave, NE  
Suite 1200  
Atlanta, GA 30303-1257

Tyrone D. Naquin, Project Manager  
Two White Flint  
Mail Stop EBB2-C40M  
11545 Rockville Pike  
Rockville, MD 20852-2738

Sarah Cottrell, Deputy Secretary  
New Mexico Department of Environment  
Office of the Secretary  
1190 St. Francis Drive  
P. O. Box 26110  
Santa Fe, NM 87502-0157

Cheryl Chance, Mayor of Jal  
P.O. Box Drawer 340  
Jal, NM 88252

Gregory H. Fulfer  
Chairman  
Lea County Board of County Commissioners  
Lea County Courthouse  
100 North Main  
Lovington, NM 88260

Matt White, Mayor  
City of Eunice  
P.O. Box 147/1106 Ave J  
Eunice, NM 88231

Richard A. Ratliff, PE, LMP  
Radiation Program Officer  
Bureau of Radiation Control  
Department of State Health Services  
Division for Regulatory Services  
1100 West 49th Street  
Austin, TX 78756-3189

Michael Ortiz, Chief  
Radiation Controls Bureau  
Field Operations Division  
Environmental Department  
Harold S. Runnels Building  
1190 St. Francis Drive, Room S 2100  
P.O. Box 26100  
Santa Fe, NM 87502-0157

Gary Don Reagan, Mayor  
City of Hobbs  
200 E. Broadway  
Hobbs, NM 88240

**ENCLOSURE**

**LOUISIANA ENERGY SERVICES/URENCO USA (LES/UUSA)**

**REPLY TO NOTICE OF VIOLATION (NOTICE) 70-3103/2010-003**

**Restatement of Violation:**

*During Nuclear Regulatory Commission (NRC) inspection conducted from November 15 to 18, 2010, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:*

*Special Nuclear Material License Number (No.) 2010 requires, in part, that the licensee shall conduct authorized activities at the Louisiana Energy Services, L.L.C., National Enrichment Facility (LES NEF) in accordance with statements, representations, and conditions in the approved Quality Assurance Program Description (QAPD), Revision 26, and supplements thereto.*

*Section 16, Corrective Action, of the LES NEF QAPD states, in part, that, "Conditions adverse to quality including activities and services shall be identified promptly and corrected as soon as practical."*

*Contrary to the above, NRC inspectors identified that the licensee failed to adequately correct conditions adverse to quality involving work plan documentation issues identified in 2009, in that there were continuing repetitive work plan document issues identified on November 17, 2010, as evidenced by the following three examples:*

- (1) Work Package (WP) 1003-CIVIL-822-025: Steps 7 and 8 were not signed as completed although the concrete placement was completed on November 2, 2010, and the concrete formwork was removed on November 11, 2010. Step 7 was a verification point by the Construction Engineer (CE) and Quality Control (QC) inspector to indicate concrete placement. Step 8 was a hold point to be completed by the CE prior to concrete formwork removal to document verification of testing results indicated that the concrete in the placement met or exceeded the required concrete compressive strength for formwork removal.*
- (2) WP 1003-CIVIL-822-029: The EG-3-6000-01-F-10, Actual Work Performed Log, which is required by LES Procedure, EG-3-6000-01, Construction Work Plans, Revision 10, to record work performed during the shift, was not properly maintained documenting work activities commensurate with the completion of work.*
- (3) WP 1001X-CIVIL-853-007: Steps 3 and 4 were not properly signed as completed commensurate with the status of the work activities. Step 3 was missing constructor's initials indicating the datum points were installed. Step 4 was missing the surveyor's initials indicating the datum locations where surveys were completed, and missing the CE signature indicating the verification inspection was performed.*

***This is a Severity Level (SL) IV Violation (Section 6.5)***

**UUSA Reply to Violation:**

1) The Reason for the Violation (Examples 1-3)

The reason for the QAPD Criterion 16 Violation, as determined by Root Cause Evaluation (RCE) CR-2010-3722, is that corrective actions were developed, implemented and documented without sufficient rigor to correct the identified cause(s). Examples supporting this determination include:

- Using work plan audits to satisfy observations of performance
- Using a lesson plan that does not meet the intent of a briefing
- Revising a procedure instead of performing a gap analysis
- Inadequate closure documentation

In essence, personnel responsible for making entries into work plans self established a lower priority to documentation than to construction work. Construction personnel did not make a conscious effort to violate the procedure. However, the site continued to experience instances of bypassed hold points, missing documentation signatures and failure to maintain the Actual Work Performed Log. Management did not recognize this and, therefore, did not provide sufficient, consistent, coaching and reinforcement

Additionally, expectations for work performance were inconsistent when addressing the work plan. Specifically:

- Work plan reviewers did not perform reviews uniformly
- Interviewees were unclear as to whether the interim action memo was in place or not
- CR 2010-1476 ZIA Actions 1 and 2 are worded the same, but were performed significantly differently. These two actions were to ensure that the work plans are documented in a timely manner.
- Thirty-two (32) briefs were performed due to inadequate closure documentation. It is believed the expectation conveyed varied.

2) The Corrective Steps That Have Been Taken and Results Achieved

The following corrective actions have been implemented by UUSA:

- For Work Plan 1003-Civil-822-025, CR-2010-3699 was generated, and Step 7 was signed off; also CR-2010-3696 was generated and Step 8 was signed off with a late entry per Procedure EG-3-6000-01. Step 7 was signed off because the inspection personnel had already completed and documented the inspection on forms EG-3-6000-03-F1, F2, F3, and F4 as specified in the step; and Step 8 was signed off because construction and the inspection personnel received the break data on 11/03/10 from the independent testing lab verifying that the concrete reached the minimum compressive strength of 1,000 psi prior to the removal of formwork, per Specification LES-S-S-03312 3.1.4.B, as specified in the step.

- For Work Plan 1003-Civil-822-029, the crew was pulled aside and research initiated through field construction notebooks for dates these activities occurred in order to catch up with the work plan work performed log; corresponding CR-2010-3697 was generated.
- Work Plan 1001X-CIVIL-853-007 was pulled from the field so that entries could be made for missing signoffs once verifications are done; corresponding CR-2010-3688 was generated. Step 3 was signed off once the constructor verified from field notes that the installation of datum point(s) was in accordance with EG-3-6000-23, "Alignment and Leveling of Flomels," as specified in the step; and Step 4 was signed off once the construction engineer verified the Rz datum point elevations were annotated in accordance with EG-3-6000-23, as specified in the step.
- Accountability sessions were held with applicable building team members in each instance described above.

In addition, the following interim corrective actions were taken:

- Work planners are auditing work plans weekly to identify documentation issues.
- Contractor personnel reviewed work plans daily for documentation issues.
- The Contractor is holding weekly meetings with Construction Engineers and Construction Supervisors to discuss the results of daily reviews; and to provide coaching on the proper methods of documentation.

3) The Corrective Steps That Will Be Taken for the Violation

The following corrective actions are planned to resolve the Violation issues:

Corrective Action No. 1: Senior Management responsible for groups assigned Level 1 root cause evaluations in 2010 will meet in small groups with all personnel (including contractors and subcontractors) that develop, implement (ZIA), approve and document corrective actions. Senior Management will review with personnel their responsibility and commitment to develop and implement corrective actions with the primary objective of correcting the issue and the cause(s).

Corrective Action No. 2: Project senior management and General Contractor senior management will meet in small groups with Project personnel (including contractors and subcontractors) responsible for work plan development and execution. Management will review with individuals their responsibility for work plan development and execution.

Corrective Action No. 3: Revise General Work Plan Training (CO-WORKPLAN) and General Employee Training (GET) to include the expectations as specified in items 1) and 2) in Corrective Action No. 2 above.

Corrective Actions No. 4 and 5: Hold monthly meetings for the next 6 months to reinforce corrective action and work plan expectations as specified in Corrective Actions No. 1 and 2 above. Attendance is required for personnel who have/will close corrective actions for the Level 1 root cause evaluations and project staff and construction personnel qualified to make work plan entries, including QA/QC.

Corrective Action No. 6: Assign a work plan compliance agent per major project phase dedicated to in-process oversight of procedures applicable to work plans to perform coaching and correction as needed until such time that satisfactory results are achieved. This individual will also provide routine updates to project phase directors.

Corrective Action No. 7: Monitor work plan performance by auditing work plans weekly for buildings under construction (including SU&I) for procedural compliance and meeting expectations until such time that satisfactory results are achieved.

Corrective Action No. 8: Revise and re-issue the Interim Action for QL-1 Work Plans memo to be specific as to what is to be reviewed by whom. Communicate changes to affected personnel and convey expectations at pre-job briefs by construction management personnel.

4) The Date When Full Compliance Will Be Achieved

Full compliance will be achieved as a result of corrective steps that have been taken in addition to when Corrective Actions 1, 2, 6 and 7 from above are implemented. These actions are scheduled to be implemented prior to Mar 9, 2011.