

August 7, 2013

Mr. Tim Knowles  
Licensing and Performance Assessment Manager  
Louisiana Energy Services, LLC  
P.O. Box 1789  
Eunice, NM 88231

SUBJECT: LOUISIANA ENERGY SERVICES, LLC REQUESTING THE USE OF NON-CITED VIOLATIONS AT THE URENCO USA ENRICHMENT FACILITY

Dear Mr. Knowles:

We have received your letter dated July 10, 2013, requesting the use of non-cited violations at the Louisiana Energy Services, LLC (LES) URENCO USA (UUSA) Enrichment Facility in Eunice, NM (Letter Number LES-13-00083-NRC) in accordance with the provisions of the U.S. Nuclear Regulatory Commission (NRC) Enforcement Policy, as revised. The staff has reviewed your letter and the license basis documents to which it refers. Specifically, License Condition 10.f of the LES Special Nuclear Material (SNM) License (SNM-2010, Amendment 60) states that UUSA will conduct authorized activities at the UUSA facility in accordance with the statements, representations, and conditions in the Quality Assurance Program Description, (Revision 33a, dated February 11, 2013). Based on the review of your letter and supporting documents against the acceptance criteria in Draft NUREG-2154, "Acceptability of Corrective Action Programs for Fuel Cycle Facilities," the staff needs additional information (See Enclosure) in order to complete its review.

Please provide us with a response describing how our questions were addressed and any other changes to licensing documents that were necessary to incorporate the responses. The response should be provided within 30 days of the date of this letter.

If you have any questions, please contact Mr. Michael Raddatz at 301-287-3108, or via e-mail at [Michael.Raddatz@nrc.gov](mailto:Michael.Raddatz@nrc.gov).

Sincerely,

*/RA/*

Brian W. Smith, Chief  
Uranium Enrichment Branch  
Division of Fuel Cycle Safety  
and Safeguards  
Office of Nuclear Material Safety  
and Safeguards

Enclosure:  
Requests for Additional Information

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

Mr. Tim Knowles  
Licensing and Performance Assessment Manager  
Louisiana Energy Services, LLC  
P.O. Box 1789  
Eunice, NM 88231

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/RA/

Brian W. Smith, Chief  
Uranium Enrichment Branch  
Division of Fuel Cycle Safety  
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Office of Nuclear Material Safety  
and Safeguards

Enclosure:  
Requests for Additional Information

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

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## REQUESTS FOR ADDITIONAL INFORMATION

**RAI-1. Managing of sensitive information:** A comment was received during the public comment period on draft NUREG-2154 stating that “It should be recognized that facility procedures often times prohibit documenting certain security-related events in the Corrective Action Program (CAP) database. Rather, the CAP might simply contain a reference to the event and where information on it is stored and available for review.”

Based on this comment, changes are being made in the transition from the draft NUREG to the draft Regulatory Guide to address the management of sensitive information within the CAP. Does URENCO USA (UUSA) manage sensitive information in the CAP or in a separate database? If sensitive information related to corrective actions is managed outside the CAP, please describe in the Quality Assurance Program Description (QAPD) how Louisiana Energy Services, LLC (LES) ensures that corrective actions for issues that entail management of sensitive information are subjected to the same identification, review, etc. as non-sensitive issues.

**RAI-2. Terminology:** The draft NUREG uses the terminology “conditions adverse to safety and security.” Please identify if the term used by UUSA, “conditions adverse to quality,” includes both safety and security issues within its scope.

**RAI-3. Quality Assurance Review of Corrective Actions:** Section 16 of the QAPD states that “The procedure(s) establishing the CAP shall include a requirement for management to take follow-up action to verify implementation of corrective action taken to address significant conditions adverse to quality. The quality assurance (QA) organization shall be responsible for conducting periodic audits of these follow-up actions in accordance with Section 18 of the QAPD.”

The acceptance criteria of Draft NUREG-2154 identify that the licensee should implement a graded approach to verify proper implementation and close out the corrective actions in a timeframe consistent with the safety or security significance of the issue, with the independent organization reviewing the corrective actions for significant conditions adverse to safety or security.

Please describe in the QAPD the involvement of the independent organization (QA) in the review of corrective actions for significant conditions adverse to quality (i.e., is QA involved in the review/approval of planned actions, assessment of adequacy of designated or completed actions, or only the verification of completed actions).

**RAI-4. Trending:** Section 16, “Corrective Action,” of the QAPD states that “Significant conditions adverse to quality shall be tracked and evaluated so that adverse trends can be identified and appropriate corrective action can be taken.” and “Procedures shall include requirements and organizational responsibility for trending which will include significant conditions adverse to quality at a minimum.” Further, Section 15, “Nonconforming Items,” of the QAPD states that “Nonconformance documentation shall be periodically analyzed by the UUSA QA organization to identify adverse quality trends.”

The acceptance criteria of Draft NUREG-2154 identify that reports of conditions that are adverse to safety or security should be analyzed to identify adverse trends in performance. Please identify in the QAPD how UUSA will identify trends in conditions adverse to quality when those conditions do not rise to the level of significant conditions adverse to quality.

Enclosure

**RAI-5. Assessment:**

- a. Section 18, "Audits," of the QAPD states that "For Construction Phase activities, internal audits of UUSA QA Level 1, QA Level 1 Graded, QA Level 1 F, and QA Level 2AC activities shall be conducted on an annual basis or at least once during the life of the activity, whichever is shorter. For Operational Phase activities, internal audits shall be conducted on a biennial basis." The acceptance criteria of Draft NUREG-2154 identify that the licensee should evaluate the effectiveness of the CAP at regular, specified intervals. Please identify if the audit schedules in the QAPD include an assessment of the corrective action program. If not, please describe in the QAPD the periodicity with which UUSA will evaluate CAP effectiveness.
- b. The acceptance criteria of Draft NUREG-2154 identify that the licensee should review the ability of the CAP to identify conditions adverse to safety and security, identify U.S. Nuclear Regulatory Commission reportable events, evaluate the significance, correct the condition, notify management, and prevent recurrence. Review guidance in the draft NUREG further states that the process should describe the licensee's commitments for ensuring the recognition and resolution of ineffective corrective actions, trends, and performance issues. The assessment process should evaluate the timeliness of CAP elements and the ability of the CAP to follow up and enable close out of corrective actions that are past their due date.

Please describe if an assessment of these elements is part of the system of audits described in Section 18 of the QAPD. If not, please describe in the QAPD measures that will be implemented to assess the effectiveness of the CAP, including all phases of CAP actions (identification, evaluation, reporting, trending, etc.) and assessment of the UUSA CAP's ability to resolve ineffective corrective actions and those past their due date.