

March 4, 2014

Mr. Jay Laughlin
Chief Nuclear Officer and Head
of Operations
Louisiana Energy Services, LLC
P.O. Box 1789
Eunice, NM 88231

SUBJECT: U.S. NUCLEAR REGULATORY COMMISSION'S ADEQUACY
DETERMINATION OF LOUISIANA ENERGY SERVICES, LLC, CORRECTIVE
ACTION PROGRAM

Dear Mr. Laughlin:

I am responding to your letter dated July 10, 2013 (Agencywide Documents Access and Management System [ADAMS] Accession No. ML13196A259), where you requested U.S. Nuclear Regulatory Commission (NRC) authorization of the Louisiana Energy Services (LES) corrective action program (CAP) for future NRC inspection activities conducted at the LES National Enrichment Facility in Eunice, New Mexico. More specifically, your request was in reference to a new provision in the NRC Enforcement Policy. The January 2013 revision of the NRC Enforcement Policy allows for treatment of NRC-identified Severity Level IV violations for fuel cycle facilities as non-cited violations provided that certain criteria are met, including an NRC determination that the licensee has an adequate CAP. The new provision provides fuel cycle facility licensees an incentive to voluntarily enhance their existing CAPs to strengthen facility safety and security.

By the NRC letters dated August 2, 2013, January 28, 2014, and January 31, 2014 (ADAMS Accession Nos. ML13214A141, ML14031A103, and ML13301A706, respectively), the NRC staff determined, in summary, the following regarding the LES CAP:

- The LES CAP, as described in Revision 34d of the Quality Assurance Program Description (QAPD) (ADAMS Accession No. ML13358A340), is acceptable for the identification, documentation, and correction of conditions adverse to safety and security. Accordingly, the NRC amended the LES license to reflect approval of QAPD Revision 34d.
- As confirmed through NRC inspections, the licensee adequately implemented its CAP for operations and construction activities in the areas of quality, safety and security, problem identification, resolution, as appropriate. The threshold for initiating event reports was appropriate, issues were promptly identified and event reports were categorized in accordance with their significance. Generally, event evaluations were effective in identifying appropriate corrective actions and preventing recurrence.

Based on those determinations, the NRC staff concludes that the LES CAP is adequate for the purpose of being credited in Section 2.3.2.a of the NRC's Enforcement Policy. Therefore, this NRC approval of your request allows for the disposition of Severity Level IV violations as non-cited violations provided that the criteria in Section 2.3.2.a of the NRC's Enforcement Policy are met. LES is the first operating fuel cycle facility to receive NRC approval for the above purpose.

In accordance to Title 10 of the *Code of Federal Regulations* 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 components of NRC's document system. 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. Michael Raddatz at 301-287-9124, or e-mail Michael.Raddatz@nrc.gov.

Sincerely,

/RA/ J. Andersen for

Marissa G. Bailey, Director
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

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

Based on those determinations, the NRC staff concludes that the LES CAP is adequate for the purpose of being credited in Section 2.3.2.a of the NRC's Enforcement Policy. Therefore, this NRC approval of your request allows for the disposition of Severity Level IV violations as non-cited violations provided that the criteria in Section 2.3.2.a of the NRC's Enforcement Policy are met. LES is the first operating fuel cycle facility to receive NRC approval for the above purpose.

In accordance to Title 10 of the *Code of Federal Regulations* 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 components of NRC's document system. 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. Michael Raddatz at 301-287-9124, or e-mail Michael.Raddatz@nrc.gov.

Sincerely,

/RA/ J. Andersen for

Marissa G. Bailey, Director
 Division of Fuel Cycle Safety
 and Safeguards
 Office of Nuclear Material Safety
 and Safeguards

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

DISTRIBUTION:

CTaylor, RII	DEdwards, RII	PStartz, RII	SAtack, NMSS
KCozens, NMSS	LPitts, RII	ABlamey, RII	MSykes, RII
JHickey, RII	MLesser, RII	AGody, RII	JYerokun, RII
JMunday, RII	DSeymour, RII	TMarenchin, OE	NHilton, OE
ACampbell, OE	RRichardson, NSIR	RAibert, NSIR	MLayton, NSIR
PHolahan, NSIR	OSmith, RII	IHall, RII	BDesai, RII
MMiller, RII	TReis, RII	FCSS r/f	

ML14050A349

OFFICE	FCSS/PORSB	FCSS/UEB	FCSS/FMB	FCSS/UEB
NAME	JDeJesus	MRaddatz	TBrockington	BSmith
DATE	2/20/2014	2/20/2014	2/24/2014	2/25/2014
OFFICE	FCSS/PORSB	NMSS/FCSS	NMSS/FCSS	
NAME	MFranovich	JAndersen	MBailey	
DATE	2/26/2014	3/4 /2014	3 /4 /2014	

OFFICIAL RECORD COPY