



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
245 PEACHTREE CENTER AVENUE NE, SUITE 1200
ATLANTA, GEORGIA 30303-1257

March 11, 2014

Gary J. Laughlin, Chief Nuclear Officer
and Head of Operations
Louisiana Energy Services, L.L.C.
P.O. Box 1789
Eunice, NM 88231

SUBJECT: LOUISIANA ENERGY SERVICES, L.L.C., URENCO USA, LICENSEE
PERFORMANCE REVIEW OF LICENSED ACTIVITIES (NRC INSPECTION
REPORT 70-3103/2014-001)

Dear Mr. Laughlin:

The Nuclear Regulatory Commission (NRC) Region II Office, and the Office of Nuclear Material Safety and Safeguards, have completed the Performance Review of the Louisiana Energy Services L.L.C. (LES), URENCO USA (UUSA) enrichment facility. UUSA's current performance review period is 24 months, covering the period from January 1, 2012, to December 31, 2013. This letter and enclosure provide the results of our review and will be used as a basis for establishing the NRC oversight program for your facility. The details regarding the Safeguards portion of the review are documented in a separate letter marked "Official Use Only" due to the sensitive nature of the information.

The performance of UUSA's operations activities was evaluated in the following areas: Safety Operations, Safeguards, Radiological Controls, Facility Support, and Other Areas. In addition, the performance of UUSA's construction activities was evaluated in the following areas: Management Measures, Facility Construction, and Facility Support.

Overall, the staff determined that UUSA continued to conduct its activities safely and securely, while protecting public health, and the environment. Based on our current review of activities, no areas needing improvement were identified. As a result of your performance during the assessment period, and the decreased level of ongoing construction activities we will maintain the next review period to 24 months, which is consistent with an operational facility. The NRC will conduct the core inspection program for a Fuel Facility as described in NRC Inspection Manual Chapter 2600, "Fuel Cycle Facility Operational Safety and Safeguards Inspection Program," for the period of January 1, 2014 to December 31, 2015. In addition, the NRC will continue to conduct the construction inspection program for UUSA as described in IMC 2696, "Louisiana Energy Services Gas Centrifuge Facility Construction and Pre-Operational Readiness Review Inspection Programs."

Apparent violations described in Inspection Report 70-3103/2013-202, dated February 7, 2014, are part of the ongoing enforcement actions for UUSA. The NRC will re-evaluate the inspection program following the completion of our ongoing enforcement actions. We will notify you via separate correspondence of any changes.

The results of our Licensee Performance Review will be discussed with you at a meeting open to the public on April 16, 2014. During the meeting, you will have an opportunity to discuss your performance in the same major areas as evaluated by the NRC.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, and its enclosure, will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) 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).

Questions and comments about the NRC's review of UUSA's operational performance should be directed to Mr. James Hickey, Chief, Projects Branch 1, who can be reached by telephone at 404-997-4628. Questions and comments about the NRC's review of UUSA's construction performance should be directed to Ms. Deborah Seymour, Chief, Construction Projects Branch 1, who can be reached by telephone at 404-997-4476.

Sincerely,

/RA/

Anthony T. Gody, Director
Division of Fuel Facility Inspection

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

Enclosure:
Licensee Performance Review

cc: (See page 3)

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Sincerely,

/RA/

Anthony T. Gody, Director
Division of Fuel Facility Inspection

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

Enclosure:
Licensee Performance Review

cc: (See page 3)

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SUNSI REVIEW COMPLETE FORM 665 ATTACHED

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|--------------|----------|-----------|----------|----------|----------|----------|
| OFFICE | RII:DFFI | RII:DFFI | RII:DCP | HQ:NMSS | | |
| SIGNATURE | /RA/ | /RA/ | /RA/ | /RA/ | | |
| NAME | LPitts | JHickey | DSeymour | MBailey | | |
| DATE | 3/5/2014 | 3/6 /2014 | 3/5/2014 | 3/5/2014 | 3/ /2014 | 3/ /2014 |
| E-MAIL COPY? | YES NO | YES NO | YES NO | YES NO | YES NO | YES NO |

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cc:

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**LICENSEE PERFORMANCE REVIEW FOR
LOUISIANA ENERGY SERVICES, L.L.C. (LES), URENCO USA (UUSA)
ASSESSMENT PERIOD: JANUARY 1, 2012 to DECEMBER 31, 2013**

The following is a summary of the performance of Louisiana Energy Services, L.L.C. (LES), URENCO USA (UUSA) in the conduct of NRC licensed activities.

PERFORMANCE AREA: SAFETY OPERATIONS

This area is comprised of plant operations, nuclear criticality safety, and fire protection.

Program Areas Needing Improvement

- No specific area needing improvement was identified in Safety Operations.

Recommended NRC Inspection Effort

- Maintain the core inspection effort in Safety Operations.

PERFORMANCE AREA: RADIOLOGICAL CONTROLS

This area is comprised of radiation protection, environmental protection, waste management, and transportation.

Program Areas Needing Improvement

- No specific area needing improvement was identified in Radiological Controls.

Recommended NRC Inspection Effort

- Maintain the core inspection effort in Radiological Controls.

PERFORMANCE AREA: FACILITY SUPPORT

This area is comprised of maintenance and surveillance, training, emergency preparedness, management organization and controls, and permanent plant modifications and included licensing activities.

Program Areas Needing Improvement

- No specific area needing improvement was identified in Facility Support.

Recommended NRC Inspection Effort

- Maintain the core inspection effort in Facility Support.

PERFORMANCE AREA: OTHER AREAS

This area is comprised of special issues.

Program Areas Needing Improvement

- No specific area needing improvement was identified in Other Areas.

Recommended NRC Inspection Effort

- Maintain the core inspection effort in Other Areas.

PERFORMANCE AREA: MANAGEMENT MEASURES

This area is comprised of quality assurance, design controls, configuration management, procedures, audits, assessments, and records. Quality assurance includes program implementation; design and document control; control and inspection of materials, equipment, and services; problem identification, resolution, and corrective action; 10 CFR Part 21 reporting; control of electronic management data; supplier and vendor inspections; and safety interfaces.

Program Areas Needing Improvement

- No specific area needing improvement was identified in Management Measures.

Recommended NRC Inspection Effort

- Maintain routine inspections in Management Measures.

PERFORMANCE AREA: FACILITY CONSTRUCTION

This area is comprised of geotechnical/foundation activities, structural concrete, structural steel, structural supports, piping systems, nuclear welding, and mechanical, electrical, and instrument components.

Program Areas Needing Improvement

- No specific area needing improvement was identified in Facility Construction.

Recommended NRC Inspection Effort

- Maintain routine inspections in Facility Construction.