

**Quarterly Letter Status Report for
Protection of Classified Information and Related Security
Activities
2nd Quarter of Fiscal Year 2015
January 1 through March 31, 2015**

I. Introduction

The U.S. Department of Energy (DOE) and the U.S. Nuclear Regulatory Commission (NRC) have entered into three (3) interagency agreements for DOE to perform certain security related activities for the NRC. These interagency agreements are:

- NRC-HQ-50-12-1-008 "Protection of Classified Information and Related Security Activities at the General Electric Laser Enrichment Facility – J5718"; and

These interagency agreements became effective October 1, 2012. Each of the interagency agreements contains terms that require DOE to provide quarterly letter status reports summarizing the status of all evaluation and inspection tasks relative to each of the agreements.

II. Description of Activities during this Reporting Period

The DOE provided technical assistance by conducting inspections and assessments of Information Technology security activities. Each inspection activity was conducted in conjunction with appropriate NRC staff (as requested). Details of the inspection effort were provided either in person during the inspection or in subsequent electronic correspondence or telephone communication.

A summary discussion of the activities associated with each agreement follows.

B. General Electric Laser Enrichment Facility (J5718)

- Participated in meetings, telecons, and discussion regarding GE's efforts at the Clinton, TN facility Manufacturing Support Facility (MSF).
- Coordinated and participated in meetings, telecons, and discussions regarding GE-Hitachi efforts to reduce the Wilmington, NC facility operations.
- Participated in and coordinated the final closure activities of the GE-

H facility in Clinton, TN.

- Re-keyed COMSEC equipment for GE, and updated the system and all required paperwork.
- Performed COMSEC account updates for equipment and documentation.
- Received and completed Semi-Annual electronic key inventory and completed all required paperwork.
- Picked-up all COMSEC equipment at Clinton, TN MSF Facility, returned it to vault, and processed all required paperwork to document return of the equipment.

Other activities included the following:

- As the "Federal" Classification Officer for the General Electric Uranium Enrichment Program, performed classification officer duties as follows:
 - Reviewed Parsons report on GLE for Cameco.
 - Concluded review of draft Silex Evaluation Group report on declassification requests submitted by GLE.
 - Reviewed and commented on Silex Evaluation Group (SEG) report on GLE Declassification. Proposals.

The cost accounting in support of this interagency agreement can be summarized as:

2nd Quarter FY15	January	February	March
Federal Emp. Labor	\$1,383.72	\$1,109.24	\$964.14
Federal Emp. Travel	\$0.00	\$0.00	\$0.00
Contractor 1	\$2,595.47	\$2,773.40	\$1,912.58
Contractor 2	\$400.00	\$500.00	\$200.00
Contractor 3	\$200.84	\$0.00	\$97.02
Federal Admin. Charge (3%)	\$137.40	\$131.48	\$95.21
Quarterly Total			\$12,500.50

Based upon cumulative funding provided to date, past expenditures and projected future activities, we do foresee the need for additional funding during the third quarter of Fiscal Year 2015.