Quarterly Letter Status Report for Protection of Classified Information and Related Security Activities
4rd Quarter of Fiscal Year 2014
July 1 through September 30, 2014

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.

This is the eighth (8th) status report provided in accordance with the terms 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)

During this reporting period, DOE's evaluation and inspection efforts included the following:

- Participated in a monthly teleconference with GE-H and NRC to discuss the status of GE-H classified cyber security activities.
- Continued review of the GE revision of the Classified Distributive Information Network (CDIN) drawings for the Manufacturing Support Facility (MSF).
- Initiated review of the GE-H continuous monitoring report for the classified cyber systems in Wilmington, NC.
- Prepared and coordinated issuance of a letter of concurrence regarding the GE-H continuous monitoring report for the classified cyber systems in the Wilmington, NC facility.
- Prepared for and participated in a review of the proposed revision of the proposed revision to the Program Cyber Security Plan (PCSP) for the classified cyber network at the MSF. The effort included a meeting and a review at the MSF.
- Completed review of the GE revision of the CDIN drawings for the MFS. Provided results of the review to NRC.
- Participated in the NRC/DOE annual inspection of the MSF.

Other activities included the following:

- As the "Federal" Classification Officer for the General Electric Uranium Enrichment Program, performed classification officer duties as follows:
  - Attended Silex Evaluation Group meeting.
  - Participated in follow-on Activities in support of the Silex Evaluation Group in evaluating the GLE declassification proposals.
  - Continued work on coordinating the Silex Evaluation Group on the evaluation of the GLE declassification requests.
  - Provided interpretations on classification topics in the Silex Classification Guide.
- Performed document reviews.
- Participated in phone conferences with DOE and NRC.
- Provided COMSEC and TEMPEST advice.
- Participated in site visit planning for trips to Wilmington, NC, and Pittsburgh, PA.

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

4th Quarter FY14	July	August	September
Federal Emp. Labor	$4,734.02	$3,445.39	$4,812.23
Federal Emp. Travel	$675.77	$0.00	$5,144.37
Contractor 1	$3,115.62	$1,967.76	$1,147.86
Contractor 2	$1,599.68	$877.32	$974.80
Contractor 3	$0.00	$0.00	$0.00
Federal Admin. Charge (3%)	$303.75	$188.71	$362.38
Quarterly Total			**$29,349.66**

Based upon cumulative funding provided to date, past expenditures and projected future activities, we do foresee the need for additional funding during the fourth quarter of Fiscal Year 2014.