Quarterly Letter Status Report for

Protection of Classified Information and Related Security Activities 1st Quarter of Fiscal Year 2013 October 1 through December 31, 2012

I. Introduction

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

 NRC-HQ-50-12-I-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 first (1st) status report prepared 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 facility follows. . .

B. General Electric Laser Enrichment Facility (J5718)

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

Prepared presentation material and provided workshop entitled "NRC/DOE
Classified Cyber Security Workshop" in Nashville, TN on November 29, 2012.
 The primary purpose of the workshop was to introduce the NRC licensees to the

new performance-based requirements and to review lessons learned from the past five (5) years.

- As the "Federal" Classification Officer for the General Electric Uranium Enrichment Program, performed classification officer duties as requested. While on official travel during the period of December 11-14, 2012, provided direct support of the Parsons Group evaluation of Global Laser Enrichment process. This included training of Parsons Group personnel on laser enrichment classification issues, reviewing Parsons Group notes and presentations and conducting the telephone briefing for Cameco from Wilmington, NC. The other major activity was briefings and a tour of a Tennessee facility for DOE Office of Classification personnel.
- Reviewed network security plans and provided comments to the appropriate NRC personnel.
- Performed an assist visit to Wilmington, NC facility on November 13-14, 2012, to review security measures associated with recently installed equipment.
- Conducted termination survey/closeout activities associated with a Tennessee facility on November 28, 2012.
- Performed Project/Contract Management activities.

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

1st Quarter FY13	October	November	December
Federal Emp. Labor	Sec Note 1	See Note 1	\$15,175.02
Federal Emp. Travel		\$769.60	
		\$239.82	
		\$1,100.02	
Contractor 1	\$2,306.90	\$6,625.65	\$5,260.14
Contractor 2	\$633.62	\$1,072.75	\$0.00
Budget/Finance Fee (3%)	\$88.22	\$294.24	\$613.05
Quarterly Total	<u> </u>		\$34,179.03

Note 1: Quarterly Total shown in December

Please note that each item represented above could be denoted as a separate invoice item when it arrives for your review and approval. Based upon projected activities, please be advised that we do not foresee the need for additional funding during the second quarter of Fiscal Year 2013.