



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

March 3, 2016

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 70-3103/2016-001)

Dear Mr. Laughlin:

The U.S. Nuclear Regulatory Commission (NRC) staff in our Region II Office and the Office of Nuclear Material Safety and Safeguards completed its biennial review of Louisiana Energy Services, L.L.C., URENCO USA's (UUSA) performance in conducting NRC-licensed activities. The review period was for 24 months, covering from January 1, 2014, through December 31, 2015. The performance of UUSA's operation activities was evaluated in the following areas: Safety Operations, Safeguards, Radiological Controls, Facility Support, and Other Areas. The performance of UUSA's construction activities was evaluated in the following areas: Management Measures and Facility Construction. The enclosure to this letter provides the results of our review and will be used as the 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.

Overall, the NRC staff determined that UUSA has continued to conduct its activities safely and securely, while protecting public health and the environment. Based on our review of activities, no areas needing improvement were identified. As a result of your performance during the aforementioned assessment period and the decreased level of ongoing construction activities, the NRC staff will maintain the next review period to 24 months, which is consistent with an operational facility. The NRC staff will conduct the core inspection program for a gas centrifuge fuel facility, as described in NRC Inspection Manual Chapter 2600, "Fuel Cycle Facility Operational Safety and Safeguards Inspection Program," for the next assessment period of January 1, 2016, to December 31, 2017.

The NRC issued Generic Letter (GL) 2015-01, "Treatment of Natural Phenomena Hazards in Fuel Cycle Facilities" (Agencywide Documents and Access Management System (ADAMS) Accession No. ML14328A029) to request that licensees submit information to demonstrate compliance with regulatory requirements regarding the treatment of natural phenomena events in the facilities' integrated safety assessments. The licensee submitted this information by letter dated September 18, 2015, which is currently under NRC review.

Additional NRC inspections, beyond the core inspection hours, may be warranted to support the review of licensees' activities in response to GL 2015-01. The inspections will be conducted in accordance with TI 2600/016, "Inspection of Activities Associated with NRC GL 2015-01" (ADAMS Accession No. ML15317A506).

The results of our Licensee Performance Review will be discussed with you at a meeting open to the public on April 27, 2016. 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 Title 10 of the *Code of Federal Regulations* Section 2.390 of the NRC's "Rules of Practice and Procedure," a copy of this letter and its enclosure will be made available for public inspection at the NRC Public Document Room and accessible electronically through the ADAMS in the NRC Library at <http://www.nrc.gov/reading-rm/adams.html>.

Questions and comments regarding the NRC's review of UUSA's operational performance should be directed to Mr. Marvin Sykes, Chief, Projects Branch 1, who can be reached by telephone at 404-997-4629. Questions and comments regarding 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/

Mark S. Lesser, 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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Mark S. Lesser, Director
Division of Fuel Facility Inspection

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PUBLICLY AVAILABLE NON-PUBLICLY AVAILABLE SENSITIVE NON-SENSITIVE
ADAMS: Yes ACCESSION NUMBER: ML16064A001 SUNSI REVIEW COMPLETE FORM 665 ATTACHED

OFFICE	RII:DFFI	RII:DFFI	RII:DFFI	RII:DCP	HQ:NMSS	
SIGNATURE	/RA/	/RA/	/RA/	/RA/	/RA/	
NAME	NMorgan	LPitts	MSykes	DSeymour	CErlanger	
DATE	3/1/2016	3/2/2016	3/3/2016	3/2/2016	3/3/2016	
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

OFFICIAL RECORD COPY
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G. Laughlin

3

cc:

Butch Tongate, Deputy Secretary
New Mexico Department of Environment
Office of the Secretary
1190 St. Francis Drive
P.O. Box 26110
Santa Fe, NM 87502-0157

Matt White, Mayor
City of Eunice
P.O. Box 147/1106 Ave J
Eunice, NM 88231

The Honorable Sam D. Cobb, Mayor
City of Hobbs
200 E. Broadway
Hobbs, NM 88240

Cheryl Chance, Mayor
City of Jal
P.O. Drawer 340
Jal, NM 88252

Commissioner Gregory H. Fulfer, Chairman
Lea County Board of County Commissioners
Lea County Courthouse
100 North Main, Suite 4
Lovington, NM 88260

Daniel F. Stenger, Counsel
Hogan and Hartson
555 13th Street, NW
Washington, DC 20004

Santiago Rodriguez, Acting Chief
Radiation Controls Bureau
Field Operations Division
Environmental Department
Harold S. Runnels Building
1190 St. Francis Drive, Room S 2100
P.O. Box 26100
Santa Fe, NM 87502-0157

David Sexton, President and Chief Executive Officer
Louisiana Energy Services, L.L.C.
URENCO USA
P.O. Box 1749
Eunice, NM 88231

G. Laughlin

4

cc: (cont'd)

Clint Williamson, Director
Community Affairs and Government Relations
Louisiana Energy Services, L.L.C.
URENCO USA
P.O. Box 1749
Eunice, NM 88231

Perry Robinson, Outside General Counsel
URENCO USA
P.O. Box 1789
Eunice, NM 88231

Richard A. Ratliff, PE, LMP
Radiation Program Officer
Bureau of Radiation Control
Department of State Health Services
Division for Regulatory Services
1100 West 49th Street
Austin, TX 78756-3189

Letter to Gary J. Laughlin from Mark S. Lesser dated March 3, 2016

SUBJECT: LOUISIANA ENERGY SERVICES, L.L.C., URENCO USA – LICENSEE
PERFORMANCE REVIEW OF LICENSED ACTIVITIES (NRC INSPECTION
REPORT 70-3103/2016-001)

DISTRIBUTION:

M. Lesser, RII
D. Seymour, RII
C. Evans, RII
T. Grice, NMSS
M. Sykes, RII
M. Raddatz, NMSS
L. Pitts, RII
N. Morgan, RII
Public

**LICENSEE PERFORMANCE REVIEW FOR
LOUISIANA ENERGY SERVICES, L.L.C., URENCO USA
ASSESSMENT PERIOD: JANUARY 1, 2014 to DECEMBER 31, 2015**

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

OPERATIONS

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, 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.

CONSTRUCTION**PERFORMANCE AREA: MANAGEMENT MEASURES**

This area is comprised of quality assurance; design controls; configuration management; procedures; audits and assessments; and records management.

Program Areas Needing Improvement

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

Recommended NRC Inspection Effort

- As necessary.

PERFORMANCE AREA: FACILITY CONSTRUCTION

This area is comprised of foundation, structural concrete and steel, mechanical, electrical, and instrument components.

Program Areas Needing Improvement

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

Recommended NRC Inspection Effort

- As necessary.