

~~OFFICIAL USE ONLY – SECURITY – RELATED INFORMATION~~

UNITED STATES

NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001



October 10, 2018

Mr. Wyatt Padgett
Licensing and Performance
Assessment Manager
Louisiana Energy Services, LLC
P.O. Box 1789
Eunice, NM 88231

SUBJECT: U.S. NUCLEAR REGULATORY COMMISSION APPROVAL OF URENCO USA LICENSE AMENDMENT REQUEST 17-02, DECOMMISSIONING OF P2P AND CMS CLASSIFIED NETWORKS, DELETION OF LICENSE CONDITION 10.Z AND 10.AA, AND REVISION OF UUSA-CMS, MFD-ISSP, AND PCTS-ETS-ISSPS

Dear Mr. Padgett:

By letter (LES-17-00111) dated August 29, 2017, (Agencywide Documents Access and Management System [ADAMS] Accession Number ML17244A288), Louisiana Energy Services, LLC, dba URENCO USA (UUSA), requested that the U.S. Nuclear Regulatory Commission (NRC) approve license amendment request (LAR) 17-02 to decommissioning of the Classified Plant Management System Information System Security Plan (UUSA-CPM-ISSP), and the Point to Point Data Exchange Informational System Security Plan (UUSA-P2P-ISSP), and the revision of the Centrifuge Monitoring System and Medium Frequency Drive System Information System Security Plan (UUSA-CMS and MFD-ISSP) along with the Plant Control Training System and Enhanced Training System Information System Security Plan (UUSA-PCTS-ETS-ISSP).

The NRC Staff, in coordination with subject matter experts from the U.S. Department of Energy Oak Ridge Site Office (DOE NE-ORSO) reviewed the August 29, 2017 submittal and initially determined the hardware modification were acceptable; however, during a teleconference between the NRC, DOE NE-ORSO, and UUSA on October 23, 2017, the parties realized that the CPM functions being transferred to the CMS and PCT-ETS networks must be in operation at the time of the modification to continue cascade operations. Based on this unique set of circumstances, DOE NE-ORSO authorized an Interim Authority To Operate under Revision 2 to the CMS and Revision 3 to the PCTS-ETS for a period of 90 days from the date of NRC letter dated November 22, 2017, (ADAMS Accession Number ML17292A649). During this time, UUSA submit revised ISSPs for the CMS and PCT-ETS for review of the new implementation.

The letter transmitted contains **Official Use Only Security-Related Information**. When separated from Enclosures 1 and 2, this letter is decontrolled.

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By letter dated January 24, 2018, DOE NE-ORSO notified the NRC, (ADAMS Accession Number ML18107A224), that implementation of UUSA-PCTS-ETS-ISSP, Revision 3, and UUSA-CMS and MFD-ISSP, Revision 2, was approved with the stipulation that required UUSA to address documentation in three deficient areas of the security plan for UUSA-PCTS-ETS-ISSP, Revision 3. Based upon this approval as stipulated, UUSA was authorized to operate (ATO) the networks identified in these ISSPs for the processing up to, and including, Confidential Restricted Data, with no change in the current ATO expiration date.

On March 7, 2018, UUSA submitted a letter and enclosure (LES-18-026-NRC), (ADAMS Accession Number ML18075A361), to address the deficiencies found during the Annual Information Security Inspection performed during the week of November 14, 2017. DOE NE-ORSO reviewed the submittal and found additional deficiencies in the UUSA's Plan of Actions and Milestones for Classified Systems (POAM), Revision 0. During a teleconference call between the NRC, DOE NE-ORSR, and UUSA on April 13, 2018, DOE NE-ORSO discussed the POAM deficiencies from the Annual Continuous Monitoring Report and the three document deficient areas noted above in the UUSA-PCTS-ETS-ISSP, Revision 3 security plan from LAR 17-02. UUSA agreed to review the marked POAM version; however, required more time to correct the submittal before the three-year ATO deadline of April 28, 2018.

The NRC issued an IATO by letter dated April 26, 2018 (ADAMS Accession Number ML18114A094). This provided UUSA with 90 days to update the POAM and complete the security plan documentation. By letter (LES-17-074-NRC) dated June 22, 2018, (ADAMS Accession Number ML18186A555), UUSA submitted the corrections to the Annual Continuous Monitoring Report's POAM and the documentation for LAR 17-02. The NRC issued a letter dated July 24, 2018, (ADAMS Accession Number ML18205A112), which approved these activities and allowed UUSA to operate the classified networks under a new three-year ATO. The completion of the ATO on time was extremely important, and the NRC is now following up with the license update.

To complete the LAR 17-02, this letter documents the updates made for the removal of the UUSA-CPM-ISSP with the corresponding License Condition (LC) 10.z, the UUSA-P2P-ISSP with the corresponding LC 10.aa, and the revision of the UUSA-CMS and MFD-ISSP with the corresponding LC 10.ac including the UUSA-PCTS-ETS-ISSP with the corresponding LC 10.ad. The changes to the license are noted under the issuance of SNM-2010, license condition 82.

W. Padgett

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In accordance with Title 10 of the *Code of Federal Regulations* Section 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of the NRC's ADAMS. ADAMS is accessible from the NRC Web Site at <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions regarding this matter, please contact Mr. Karl Sturzebecher by telephone at 301-415-8534, or via email to Karl.Sturzebecher@nrc.gov.

Sincerely,

\RA\

Jacob I. Zimmerman, Chief
Enrichment and Conversion Branch
Division of Fuel Cycle Safety, Safeguards,
and Environmental Review
Office of Nuclear Material Safety
and Safeguards

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

Enclosures:

1. DOE Approval Letter
2. Amendment 82 to LES License
(Non-public)
3. Amendment 82 to LES License
(Public)

cc:

Jim Hutson, DOE
Randy DeVault, DOE

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DATED: October 10, 2018

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DATE	10/09/2018	10/10/2018	10/11/2018	10/10/2018

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