



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
245 PEACHTREE CENTER AVENUE N.E., SUITE 1200
ATLANTA, GEORGIA 30303-1200

March 2, 2020

Stephen Cowne, Chief Nuclear Officer
and Compliance Manager
URENCO USA
P.O. Box 1789
Eunice, NM 88231

SUBJECT: LOUISIANA ENERGY SERVICES, L.L.C. (dba) URENCO USA,
LICENSEE PERFORMANCE REVIEW (NUCLEAR REGULATORY
COMMISSION INSPECTION REPORT 70-3103/2020-005)

Dear Mr. Cowne:

The U.S. Nuclear Regulatory Commission (NRC) staff in our Region II office, the Office of Nuclear Material Safety and Safeguards (NMSS), and the Office of Nuclear Security and Incident Response (NSIR) completed a periodic review of the URENCO USA, Eunice, New Mexico, enrichment facility's performance in conducting NRC-licensed activities. The performance of URENCO USA was evaluated in the following areas: Safety Operations, Radiological Controls, Facility Support, Safeguards, and Other Areas. The enclosure to this letter provides the results of our review and constitutes the basis for establishing the NRC oversight program for your facility.

Overall, the staff determined that URENCO USA continued to conduct activities safely and securely and in a manner that protects public health and the environment. Based on our review of activities, no area needing improvement was identified for the performance areas of Safety Operations, Safeguards, Radiological Controls, Facility Support, or Other Areas. Specifically, using the guidance in Inspection Manual Chapter (IMC) 2604, the staff determined that the Severity Level III noncompliance related to the failure of IROFS16e/f (ADAMS Accession Number ML18166A002) was not safety-significant because no substantive corrective actions were required to correct or prevent recurrence of the condition. In addition, the staff determined that the Severity Level III noncompliance related to improper storage of classified material (ADAMS Accession Number ML19248C685) was not security-significant because it was a deliberate act by an individual and not the result of inadequate security procedures by URENCO USA. The criteria of three Severity Level IV violations in a single performance area with similar causes was not considered for an area needing improvement because URENCO USA has an NRC-approved corrective action program. Therefore, the NRC plans to conduct the core inspection program for a Gas Centrifuge Facility as described in NRC Inspection Manual Chapter 2600 Appendix B, "NRC Core Inspection Requirements Table 1," for the period of January 1, 2020, to December 31, 2021. Since there was no area needing improvement identified in Safeguards, no separate letter will be issued.

The results of our review will be discussed with you at a public meeting on Monday, March 30, 2020, via webinar. Although your site had no areas needing improvement for this current review cycle, you will still be granted the opportunity to discuss your facility's performance, in the same areas as those evaluated by the NRC, if you so choose.

Beginning in April 2019, the NRC and its stakeholders participated in public meetings aimed at building a smarter inspection program seeking to improve effectiveness and efficiency, while further integrating risk-informed insights to ensure the appropriate focus is applied on the areas most important to safety. The staff's assessment of the inspection program resulted in recommended modifications to inspection frequencies and resource estimates as well as changes to reduce overlaps and improve inspection guidance. If the Agency decides to endorse the staff's recommended program changes, the new core program would take effect starting on January 1, 2021, which will be the middle of your next licensee performance review cycle. A final decision on the program recommendations is expected by the end of March 2020.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice and Procedure," a copy of this letter and its enclosure will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Please refer questions and comments regarding your Licensee Performance Review to Mr. Robert E. Williams Jr., Chief, Projects Branch 1, by telephone at 404-997-4664.

Sincerely,

/RA/

LaDonna B. Suggs, Director
Division of Fuel Facility Inspection

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

Enclosure:
Licensee Performance Review

cc: Distribution via ListServ

SUBJECT: LOUISIANA ENERGY SERVICES, L.L.C., (dba) URENCO USA, LICENSEE
PERFORMANCE REVIEW (NUCLEAR REGULATORY COMMISSION
INSPECTION REPORT 70-3103/2020-005) – March 2, 2020

DISTRIBUTION:

A. Kock, NMSS
J. Rubenstone, NMSS
A. Pearson, NMSS
J. Zimmerman, NMSS
K. Ramsey, NMSS
M. Bartlett, NMSS
L. Suggs, RII
R. Williams, RII
J. Shehee, RII
E. Stamm, RII
B. Adkins, RII
L. Cooke, RII
R. Hannah, RII
J. Ledford, RII
J. Pelchat, RII
E. Lea, RII
PUBLIC

ADAMS Accession No. ML20062J911

OFFICE	RII:DFFI BC	RII:DFFI	RII:DFFI	NMSS:DFM	NMSS:DFM	RII:DFFI
NAME	R. Williams	B. Adkins	L. Cooke	A. Pearson	A. Kock	L. Sugg
DATE	2/25/2020	2/25/2020	2/25/2020	2/26/20	2/26/20	3/2/2020

OFFICIAL RECORD COPY

LICENSEE PERFORMANCE REVIEW FOR URENCO USA
ASSESSMENT PERIOD: JANUARY 1, 2018 TO DECEMBER 31, 2019

The following is a summary of the performance of URENCO USA in the conduct of NRC-licensed activities.

PERFORMANCE AREA: SAFETY OPERATIONS

This area is comprised of plant operations, nuclear criticality safety, and fire protection.

Program Areas Needing Improvement

- One Severity Level III violation and four Severity Level IV non-cited violations of NRC requirements occurred. No specific area needing improvement was identified in Safety Operations.

Recommended NRC Inspection Effort

- Maintain the core inspection effort in Safety Operations.

PERFORMANCE AREA: SAFEGUARDS

This area is comprised of material control and accounting (MC&A), physical protection of special nuclear material, and information security.

Program Areas Needing Improvement

- One Severity Level III violation and two Severity Level IV non-cited violations of NRC requirements occurred. No specific area needing improvement was identified in Safeguards.

Recommended NRC Inspection Effort

- Maintain the core inspection effort in Safeguards.

PERFORMANCE AREA: RADIOLOGICAL CONTROLS

This area is comprised of radiation protection, environmental protection, waste management, and transportation.

Program Areas Needing Improvement

- One Severity Level IV non-cited violation of NRC requirements occurred. No specific area needing improvement was identified in Radiological Controls.

Recommended NRC Inspection Effort

- Maintain the core inspection effort in Radiological Controls.