

FEB 21 1991

MR. W. HOWARD ARNOLD

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SGDB:DJK
70-3070

Louisiana Energy Services
ATTN: Mr. W. Howard Arnold, President
600 New Hampshire Avenue, N.W., Suite 404
Washington, DC 20037

Dear Mr. Arnold:

This is in response to your letter of January 31, 1991, concerning the application for a license to construct and operate a uranium enrichment facility near Homer, Louisiana. Our initial comments on the physical security and material control and accounting portions of the application follow.

Physical Security Plan for the Clairborne Enrichment Center

With regard to theft of low enriched uranium or unauthorized plant operation by outsiders, the plan is considered to be responsive to current requirements and published guidance. Some changes will be necessary to improve its inspectability and enforceability, and specific comments will be provided at a later date.

However, the plan needs to specifically address radiological sabotage as specified in 10 CFR 73.40(a). The discussion should consider possible significant sabotage events, radiological consequences, mitigating factors, and the role of the physical security system in deterring or protecting against such activities. In your analysis, you should consider that the radiological sabotage attempts are caused either by an authorized insider, or an outsider who gains entry by stealth or force and who possesses hand-carried tools and explosives. Notwithstanding the above, the measures set forth in 10 CFR 73.67(f) are considered to provide sufficient protection to satisfy Section 73.40(a).

Material Control and Accounting

We note that your application does not commit to providing a fundamental nuclear material control (FNMC) plan as specified in Section 74.33 (h)(1) of the proposed rules published on December 17, 1990 (Enclosure 1). It is important that the FNMC plan be made available for our review at the earliest possible time so that we can complete the safeguards portions of the draft Safety Evaluation Report and Environmental Impact Statement on schedule. To assist your plan preparations a copy of the draft Regulatory Guide accompanying the proposed rule is also enclosed (Enclosure 2). Your attention is particularly directed to Chapter C.12. of the Guide relating to your proposed program for precluding or detecting unauthorized production of enriched uranium.

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The technical contact for physical security and MC&A matters is D. J. Kasun, telephone (301) 492-3379.

Sincerely,
Original signed by
Theodore S. Sherr
Theodore S. Sherr, Chief
Domestic Safeguards Branch
Division of Safeguards
and Transportation, NMSS

Enclosures:
As stated

cc: P. Loysen, IMNS
L. Telford, SEC
P. Leroy, LES
J. McGarry, Winston & Straun

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Forman has reviewed
and has no objections
Loysen has reviewed
and has no objection

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