



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

June 1, 2022

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

SUBJECT: COMPLIANCE WITH 32 CODE OF FEDERAL REGULATIONS PART 117,  
"NATIONAL INDUSTRIAL SECURITY PROGRAM OPERATING MANUAL" AND  
EXERCISE OF ENFORCEMENT DISCRETION

Dear Wyatt Padgett:

On December 21, 2020, the Department of Defense published the "National Industrial Security Program Operating Manual" rule, Title 32 *Code of Federal Regulations* (CFR) Part 117, "National Industrial Security Program Operating Manual," in the Federal Register (85 FR 83312). The rule had an effective date of August 24, 2021. Nuclear Regulatory Commission (NRC) staff met with you on March 9, 2022, to discuss Louisiana Energy Services, LLC doing business as URENCO – USA, LLC, (UUSA) compliance with 32 CFR Part 117; this letter documents the substance of that discussion.

UUSA must be in compliance with the requirements in 32 CFR Part 117 no later than 180 days from the date of this letter or October 31, 2022. UUSA submitted on April 14, 2022, (ML22108A090) a letter with commitments to come into compliance by October 31, 2022.

The NRC expects that UUSA will submit its compliance plan describing how you will come into compliance with 32 CFR Part 117, no later than 60 days from the date of this letter or XXX, 2022. This compliance plan should: 1) identify those requirements in 32 CFR Part 117 that UUSA believes are not applicable to it and the rationale for that determination; 2) identify those requirements in 32 CFR Part 117 that UUSA believes are applicable and are already being met; 3) identify those requirements in 32 CFR Part 117 for which UUSA expects to need longer than 180 days to implement, the rationale for needing more time, and the specific date by which UUSA will come into compliance with the requirement; and 4) identify those requirements in 32 CFR Part 117 for which UUSA intends to seek a waiver consistent with the requirements in 32 CFR 117.7(n).

With respect to those requirements identified in UUSA's compliance plan for which UUSA has requested a later compliance date, UUSA must comply with those specific requirements no later than the alternative compliance date approved by the NRC. If UUSA intends to seek a waiver, the waiver request must explain why it is impractical, or unreasonable for UUSA to comply with the requirement it is asking to waive, identify alternative measures as prescribed by the rule, and include a proposed duration for the waiver. UUSA cannot implement a waiver unless the waiver is approved by the NRC.

While UUSA is working to determine the applicability of the new requirements and to come into compliance, the NRC staff completed the annual information security (INFOSEC) inspection during the week of April 18, 2022. The NRC staff confirmed that UUSA's INFOSEC security program operates consistently with the NRC approved Standard Practice Procedures Plan and complies with Title 10 of the CFR Part 95. Therefore, UUSA is currently protecting its classified matter adequately.

Given UUSA's established INFOSEC security program, the short implementation timeframe afforded by the promulgation of 32 CFR Part 117, and the efforts undertaken by UUSA to come into compliance with the rule as soon as feasible, I have been authorized, after consultation with the Director, Office of Enforcement, to exercise enforcement discretion for past non-compliance associated with 32 CFR Part 117 requirements in accordance with Section 3.5 of the Enforcement Policy. Going forward, the staff may continue to exercise enforcement discretion provided UUSA takes appropriate and reasonable steps to come into compliance by the specific date(s) documented in UUSA's compliance plan, as approved by the NRC.

In accordance with Title 10 of the CFR, Section 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter will be available for public inspection in the NRC Public Document Room or from agencywide documents access and management system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

If you have any questions, please contact me at 301-415-7751, or via email at [Darryl.parsons@nrc.gov](mailto:Darryl.parsons@nrc.gov).

Sincerely,



Signed by Parsons, Darryl  
on 06/01/22

Darryl H. Parsons, Chief  
Information Security Branch  
Division of Security Operations  
Office of Nuclear Security and Incident Response

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

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DATE June 1, 2022

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