

January 13, 2005

MEMORANDUM TO: Joseph G. Giitter, Chief
Special Projects Branch
Division of Fuel Cycle Safety
and Safeguards

THRU: Brian W. Smith, Chief /RA/
Gas Centrifuge Facility Licensing Section
Special Projects Branch, FCSS

FROM: Timothy C. Johnson /RA/
Senior Project Manager
Gas Centrifuge Facility Licensing Section
Special Projects Branch, FCSS

SUBJECT: JANUARY 12, 2005, MEETING SUMMARY: LOUISIANA ENERGY
SERVICES QUARTERLY MANAGEMENT MEETING

On January 12, 2005, U.S. Nuclear Regulatory Commission (NRC) staff met with management staff from Louisiana Energy Services (LES) to discuss management issues applicable to the LES gas centrifuge uranium enrichment plant project proposed to be located in Eunice, New Mexico. I am attaching the meeting summary for your use. This summary contains no proprietary or classified information.

Docket: 70-3103

Attachment: Louisiana Energy Services
Meeting Summary

cc:	William Szymanski/DOE	Claydean Claiborne/Jal	Rod Krich/LES
	Monty Newman/Hobbs	James Curtiss/W&S	Troy Harris/Lovington
	Peter Miner/USEC	Betty Richman/Tatum	James Ferland/LES
	Glen Hackler/Andrews	William Floyd/New Mexico	James Brown/Eunice
	Lue Ethridge/Lea County	Richard Ratliff/Texas	Lee Cheney/CNIC
	Michael Marriotte/NIRS	Jerry Clift/Hartsville	CO'Claire/Ohio
	Derrith Watchman-Moore/NM	Joseph Malherek/PC	Ron Curry/NMED
	Tannis Fox/NMED	Patricia Madrid/NMAG	Glen Smith/NMAG
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Hearing file

LES Website-YES

ML050140065 (Package) **ML050140069** (Memo) **ML050140377** (Attachment)

C = COVER		E = COVER & ENCLOSURE		N = NO COPY	
OFC	GCFLS		GCFLS		GCFLS
NAME	TCJohnson:os	LMarshall		BSmith	
DATE	1/12/05	1/13/05		1/13/05	

Summary of
Louisiana Energy Services Quarterly Management Meeting

Dates: January 12, 2005

Place: U.S. Nuclear Regulatory Commission (NRC) offices
Rockville, MD

Attendees: See Attachment 1

Purpose:

The purpose of this meeting was to discuss project management issues applicable to the proposed Louisiana Energy Services (LES) gas centrifuge uranium enrichment plant project. The meeting agenda is in Attachment 2.

Discussion:

After introductions, Mr. Jack Strosnider, Director of the Office of Nuclear Material Safety and Safeguards, stated that the comment period on the Draft Environmental Impact Statement (EIS) closed on January 7, 2005. He also stated that NRC staff just completed the redaction of sensitive LES documents. Mr. Strosnider indicated that staff wants to beat the 30-month schedule set up by the Commission. He stated that the evidentiary part of the hearing begins next month and that the communications and cooperation LES staff has provided has been good.

Mr. James Ferland, President and Chief Executive Officer of LES, provided introductory remarks indicating that he agreed that cooperation was key to meeting the schedules and that it has been good. He also said that he appreciates the effort that the staff made in redacting documents so that the hearing schedule will not be delayed. He recognized that the staff has to balance security implications with the public's right to know.

Mr. Brian Smith then discussed the current licensing status of the project stating that the project is currently on schedule. Mr. Smith indicated that NRC staff is trying to beat the 30-month schedule and the goal for completing the Safety Evaluation Report and EIS is June 2005.

Mr. Smith indicated that the primary technical issues remaining are as follows:

1. Criticality safety. NRC staff reviewed the information provided by LES and will have an in-office review of this information on January 14, 2005.
2. Decommissioning funding plan. NRC staff received two responses to Request for Additional Information (RAIs) and is reviewing them. He expects that a conference call will be needed to get clarification in several areas.
3. Foreign Ownership, Control, or Influence (FOCI). The U.S. Department of Energy (DOE) indicated that it is satisfied with the information provided and will be providing a letter to the NRC documenting their review.

Mr. Smith indicated that information provided to address chemical exposure limits is acceptable and no further information is needed. In addition, NRC staff reviewed the LES response to an RAI on transportation security and held a conference call to clarify one point. LES agreed to make the change and will provide a revision to the physical security plan addressing this issue.

Anna Bradford discussed the status of the EIS preparation. She indicated that the public comment period for the Draft EIS closed on January 7, 2005, and she has received about 260 comments. She indicated that the EIS preparation is on schedule to issue the Final EIS in June 2005, but she is looking to try to find ways to complete the document sooner. She said that the extensions of the Draft EIS comment period did not affect the schedule for issuing the Final EIS. Ms. Bradford indicated that her staff is preparing an RAI needed to address public comments and to complete the Final EIS. The RAI letter is scheduled to be sent out at the end of January 2005. Ms. Bradford also indicated that the Memorandum of Understanding (MOU) on cultural sites is being completed and contacts are being made with Native American tribal groups that did not respond to the request for comments on the documents. She said that she expects no problems in completing the MOU.

Mr. James Ferland then discussed the project from the LES perspective (see Attachment 3). He stated that he appreciates the effort made to redact sensitive documents so that the hearing schedule will not be adversely affected. He said that LES will also screen its submittals to help NRC staff in this area. He also indicated that LES is ready to begin discussions on the construction inspection and readiness review inspections. LES is also ready for quality assurance audits that have been under discussion with NRC staff.

Regarding the open technical issues, Mr. Ferland stated that LES is eager to resolve the remaining criticality safety issues. He said that he understands some of the concerns relate to the development of final designs. LES is also eager to receive the DOE letter resolving the FOCI issues.

Mr. Ferland indicated that LES signed a contract with the Shaw Group to provide architect-engineer (AE) services for the project. He expects that the AE team will be fully staffed within 4 weeks, and LES will integrate this team with staff from Urenco. He said that civil and structure design is scheduled to be complete by December 2005 and the remaining design effort by Summer 2006. Construction is scheduled to begin in Summer 2006.

Action Items

None.

Attachments

1. Attendee list
2. Meeting agenda
3. LES presentation handouts

**Quarterly LES Management Meeting
January 12, 2005**

Name	Affiliation	Telephone Number	Email Address
TIM JOHNSON	NRC	301-415-7299	TCJ@NRC.GOV
Anna Bradford	NRC	301-415-5228	ahb1@nrc.gov
Brian Smith	NRC	301-415-5371	BWS1@NRC.gov
Bill Szymanski	DOE/NE	202 586-9086	William.Szymanski@nrc.doe.gov
Leslie Compton	LES	202-222-0391	lcompton@netm.com
Sharon Steele	NRC/NMSS	301-415-7078	sas@nrc.gov
JIM FERLAND	LES	505-944-0194	jferland@netm.com
R.M. Krich	LES	600-657-2813	rod.krich@exeloncorp.com
Mario Robles	USEC	301-564-3408	roblesm@usec.com
Melanie Galloway	NRC	301-415-7266	mam@nrc.gov
MICHAEL KNAPIK	M ^o GRAW-HILL	202-383-2167	
Stan Echols	NRC	301-415-6951	Stan.Echols@NRC.gov
JACK STROSNICKER	NRC	301-415-7800	JRS2@NRC.GOV
ROBERT PIERSON	NRC	301-415-7215	rtp@nrc.gov
Joseph Gritter	NRC	301-415-7485	jgg@nrc.gov
Joe Holmich	NRC	301-415-7213	JH1@nrc.gov



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

MEETING NOTICE

Applicant: Louisiana Energy Services
Suite 610
2600 Virginia Avenue, NW
Washington, DC 20037

Docket: 70-3103

Date and Time: January 12, 2005; 9:00 A.M.

Location: U.S. Nuclear Regulatory Commission
One White Flint North, Room O6B4
11555 Rockville Pike
Rockville, Maryland 20852

Purpose: To discuss project management issues and status related to its application for a gas centrifuge uranium enrichment facility proposed to be constructed in Eunice, New Mexico.

NRC Attendees: J. Strosnider, R. Pierson, J. Giitter, B. Smith, T. Johnson, S. Flanders, A. Bradford, J. Park, L. Clark, and project staff

Other Attendees: J. Ferland/LES, R. Krich/LES and LES project staff

Contact: T. Johnson; 301-415-7299; tcj@nrc.gov

Category: Category 1 Meeting: The public is invited to observe this meeting and will have one or more opportunities to communicate with the NRC after the business portion, but before the meeting is adjourned.

NOTE: NRC Meetings are open for interested members of the public to attend pursuant to the "Enhanced Public Participation in NRC Meetings; Policy Statement," 67 *Federal Register* 36920, May 28, 2002.

Attachment: Meeting agenda

cc:	James Curtiss/W&S	James Ferland/LES	Rod Krich/LES
	Peter Miner/USEC	William Szymanski/DOE	James Brown/Eunice
	Leu Ethridge/Lea County	Claydean Clairborne/Jal	Troy Harris/Lovington
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	Lindsay Lovejoy/NIRS		

Louisiana Energy Services Quarterly Management Meeting Agenda
January 12, 2005

Purpose/Introductions

Project Status

Management Issues

Questions and Answers



Louisiana Energy Services Management Meeting with NRC

Rockville, MD
January 12, 2005

Action Items

- NRC provided guidance on the need to retrieve NEF Emergency Plans from the public
- LES is ready to discuss construction and readiness review inspection planning

Status/Schedule Adherence



- Extended comment period for the draft Environmental Impact Statement (EIS) ended on January 7, 2005
 - Impact on issuance of final EIS
- Additional information supporting LES safe-by-design information was submitted on November 30, 2004 and December 10, 2004
- Response to Request for Additional Information (RAI) on decommissioning funding was submitted December 10, 2004 and January 7, 2005
- Response to chemical exposure limits conference call questions was submitted on December 22, 2004

Status/Schedule



Adherence(continued)

- Response to instrumentation and controls conference call questions was submitted October 28, 2004
- Response to conference call questions regarding worker safety during a seismic event was submitted on December 22, 2004
- A meeting among NRC, DOE, and LES on Foreign-Ownership, Control or Influence (FOCI) was held on November 10, 2004; a letter from DOE is forthcoming
- A draft Memorandum of Understanding (MOU) for treatment of cultural sites was issued for a 30-day comment period on November 2, 2004

Issues Being Addressed

- An in-office review of additional details concerning the safe-by-design information will be conducted on January 14, 2005
- Minor Security Plan comments to be addressed in upcoming submittal
- LES is screening its submittals for sensitive information using the NRC Staff Review Criteria to Identify Sensitive Information in Fuel Cycle Documents, dated December 21, 2004

Open Items

- In-office review of equipment failure information to be scheduled
- NRC inspection / audit of the implementation of the LES Quality Assurance Program to be scheduled
- Impact of NRC document review/redaction on schedule/ Safety Evaluation Report issuance

Architect / Engineer



- LES and Shaw Group announced the agreement for Shaw to provide A/E services to LES on January 7, 2005
- Work with Shaw has already begun
- Expect to maintain construction readiness schedule

Feedback

- Good cooperation
- Good communications
 - Feedback on DEIS and MOU comments
- Document review/redaction effort impact on progress
- Attention still needed
 - Resolution of safe-by-design questions
 - FOCl letter from DOE