

May 26, 2005

MEMORANDUM TO: James W. Clifford, Acting 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/ for  
Senior Project Manager  
Gas Centrifuge Facility Licensing Section  
Special Projects Branch, FCSS

SUBJECT: MAY 18, 2005, MEETING SUMMARY: LOUISIANA ENERGY  
SERVICES QUARTERLY MANAGEMENT MEETING

On May 18, 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 Lea County, 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
	Lindsay Lovejoy/NIRS		

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MFederline/NMSS	MVirgilio/DEDO	RPierson/FCSS	JGitter/FCSS
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RVirgilio/OSTP	TCombs/OCA	DAYres/Reg II	DSeymour/RegII
JHenson/RegII	RHannah/RegII	KClark/RegII	VMitlyng/RegIII
DHartland/Reg III	WMaier/RegIV	RTrojanowski/RegII	FBurrows/TSG
Hearing file	LES Website-YES		

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Summary of  
Louisiana Energy Services Quarterly Management Meeting

Date: May 18, 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, summarized activities that have taken place since the last management meeting. These included meeting our schedule goals and resolving the remaining technical issues. In addition, LES transmitted Revisions 4 and 5 of its application last month and NRC staff is completing the preparation of its Safety Evaluation Report (SER) and Final Environmental Impact Statement (FEIS) for the project. Mr. Strosnider indicated that NRC staff currently expects to meet our schedule of issuing these two documents by June 15, 2005. He also stated that he very much appreciates the LES cooperation and high quality submittals that were necessary for NRC to meet this goal.

Mr. Strosnider stated that the Atomic Safety and Licensing Board (ASLB) is scheduled to issue its decision on the four environmental contentions in early June and plans to begin the evidentiary portion hearing process on the technical contentions in late October. He indicated that the NRC staff objective is to support the timely hearing process as established by the Commission.

Mr. James Ferland, President and Chief Executive Officer of LES, provided introductory remarks indicating that he appreciates the cooperation LES has received and the efforts of NRC staff to meet the schedules.

Mr. James Clifford then discussed the current licensing status of the project stating that the project is currently on schedule and that staff expect to complete the SER and FEIS in June 2005. He also stated that NRC will be formally transmitting to LES later this week a draft of the SER for a factual accuracy check. He indicated that NRC staff would like this review to be completed within one week so that NRC schedules will not be delayed. Mr. Rod Krich of LES stated that he expects the LES review to be completed by May 25, 2005.

Mr. Clifford indicated that the primary technical issues have been resolved. However, there is a remaining outstanding item to verify a reference used in the natural gas pipeline explosion calculations. He also stated that NRC staff is waiting for an LES decision on whether it will place greater reliance on the use of the U.S. Department of Energy (DOE) depleted uranium

disposition path. If LES desires to do this, it will need to provide additional supporting information and it could affect the completion schedule for the SER. Rod Krich indicated that he understood this and is working with DOE to determine if supporting information can be made available.

Ms. Jennifer Davis discussed the status of the FEIS development and indicated that it is on schedule. She also stated that over 4200 comments from over 400 individuals were provided on the draft EIS.

Ms. Lisa Clark discussed the hearing status and stated that there could be additional late-filed contentions after the FEIS and SER are issued. She said that an ASLB decision on those late-filed contentions, if any, would be made in August 2005. She stated that a decision on the four environmental contentions is scheduled to be made on June 3, 2005.

Mr. James Ferland then discussed the project from the LES perspective (see Attachment 3). He stated that he appreciates the effort made by the staff. He summarized the activities since the last management meeting and acknowledged the issues involving the natural gas pipeline hazard calculation and the decommissioning funding issue relating to the DOE depleted uranium disposition path.

Mr. Ferland indicated that the Shaw Group architect-engineer (Nuclear Technology Solutions) is fully on-board the project and design work is on schedule. He stated that LES is planning to begin construction in August 2006. Mr. Ferland also indicated that LES will begin financing discussions with banks beginning the week of May 23, 2005. He said that utilities are still communicating strong support for the project. He also mentioned that LES staff is working with NRC Region II staff to coordinate a trip to Almelo, The Netherlands, to discuss construction inspection issues.

NRC and LES staffs then discussed the need for future quarterly management meetings. Both staffs agreed that, with the issuance of the SER and FEIS, quarterly meetings may be unnecessary, but management meetings are still needed. It was then decided that a semi-annual meeting frequency would be a good balance of staff resources and meeting benefits. Both Mr. Ferland and Mr. Strosnider emphasized that at any time, if issues surface, those issues should be addressed without waiting for the next management meeting.

#### Action Items

None.

#### Attachments

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

**Quarterly LES Management Meeting  
May 18, 2005**

Name	Affiliation	Telephone Number	Email Address
TIM JOHNSON	FCSS/NRC	301-415-7299	TCJ@NRC.GOV
Jim Chubler	FCSS/NRC	301-415-1995	JTC@NRC.GOV
JIM FERLAND	LES	505-944-0194	jferland@nrc.gov
RM Krich	LES	630-657-2813	rm.krich@exeloncorp.com
Melanie Wong	HLWRS/NRC	301-415-6262	MCW@NRC.GOV
Lisa Clark	OGC/NRC	(301) 415-1571	LBC@nrc.gov
JENNIFER DAVIS	NRC/DWMEP	(301) 415-7264	BJD1@NRC.GOV
Bill Szymanski	DOE/NE	(202) 586-9086	William.Szymanski@nrc.gov
James Park	NRC/DWMEP	(301) 415-5835	JRP@NRC.GOV
MICHAEL KNAPIK	MCGRAW-HILL	202-383-2167	MIKE-KNAPIK@PLATS.COM
Joseph Gritter	NMSS NRC	301-415-7485	jgg@nrc.gov

April 19, 2005

**MEETING NOTICE**

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

**Docket:** 70-3103

**Date and Time:** May 18, 2005; 10:00 A.M.

**Location:** U.S. Nuclear Regulatory Commission  
One White Flint North, Room O16B4  
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. Clifford, B. Smith, T. Johnson, S. Flanders, J. Davis, M. Wong, J. Park, C. Schulte, 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

<b>cc:</b>	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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Louisiana Energy Services Quarterly Management Meeting Agenda  
May 18, 2005

Purpose/Introductions

Project Status

Management Issues

Questions and Answers

Attachment



# **Louisiana Energy Services Management Meeting with NRC**

Rockville, MD  
May 18, 2005



# Action Items

- None

# Status/Schedule Adherence



- Technical
  - All criticality issues addressed
  - Decommissioning funding assurance questions addressed and exemption request submitted
  - Foreign Ownership, Control, or Influence (FOCI) letter from the Department of Energy (DOE) to the NRC issued March 31, 2005 – no further actions
  - Physical Security Plan revised to address transportation security question and submitted to NRC on January 12, 2005 (NEF#05-002)

# Status/Schedule Adherence

## (continued)

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- Environmental
  - Responded to January 28, 2005 Request for Information to address comments on the Draft Environmental Impact Statement (EIS) by letter dated February 4, 2005 (NEF#05-004)
  - Responded to February 24, 2005 conference call questions by letter dated March 11, 2005 (NEF#05-010)
  - Memorandum of Understanding and Treatment Plan for cultural sites has been signed by all required parties and transmitted to the Advisory Council on Historic Preservation by the NRC on April 7, 2005
  - Hearings held in February 2005 on environmental contentions

## Issues Being Addressed

- Initial audit of LES and Nuclear Technology Solutions (NTS) Quality Assurance Programs conducted April 4-6, 2005; follow-up audit expected in September 2005

## Open Items

- Confirmation of figure and units used in gas pipeline hazard calculation
- Feasibility of providing background information on DOE depleted uranium disposition costs so that these costs can be assessed in the Safety Evaluation Report (SER) – may impact issuance of SER
- Need for future Quarterly Meetings

## Facility Design

- NTS full on board
- Design work progressing on schedule
  - Ensuring that requirements/commitments properly translated into design
- Expect to maintain construction readiness schedule

# Feedback

- Good cooperation
- Good communications
- Focus areas
  - SER and Final EIS issuance
  - Fall hearings