

December 19, 2003

Mr. Rod Krich  
Vice President  
Louisiana Energy Services  
1133 Connecticut Avenue  
Suite 200  
Washington, DC 20036

SUBJECT: GAS CENTRIFUGE PROJECT AGREEMENT STATE LICENSING

Dear Mr. Krich:

We recently considered the issue of Agreement State jurisdiction as it applies to licensing a commercial-scale uranium enrichment facility. Because a uranium enrichment facility is considered to be a production facility and licensed by NRC under the provisions of 10 CFR Parts 40 and 70, all activities relating to the use of special nuclear, source, and byproduct material would be entirely under the regulatory jurisdiction of the NRC. Therefore, no Agreement State licensing would be required for these materials for your facility, which is proposed to be located in New Mexico, an Agreement State.

If you have any questions, please contact me at 301-415-7299.

Sincerely,

**/RA/**

Timothy C. Johnson, Project Manager  
Special Projects and Inspection Branch  
Division of Fuel Cycle Safety  
and Safeguards  
Office of Nuclear Material Safety  
and Safeguards

Docket No. 70-3103

cc: William Szymanski/DOE  
James Curtiss/W&S  
Mario Robles/USEC  
James Ferland/LES  
Dennis Holmberg/Lea County  
James Brown/Eunice  
Bobby Walloch/Hobbs  
Michael Marriotte/NIRS  
Lee Cheney/CNIC

Claydean Claiborne/Jal  
Troy Harris/Lovington  
Betty Richman/Tatum  
Glen Hackler/Andrews  
William Floyd/New Mexico  
Richard Ratliff/Texas  
Jerry Clift/Hartsville  
Derrith Watchman-Moore/New Mexico

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DATE	12/ 09 /03		12/ 12 /03	

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