



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II**
245 PEACHTREE CENTER AVENUE NE, SUITE 1200
ATLANTA, GEORGIA 30303-1257

August 14, 2012

Gary J. Laughlin, Chief Nuclear Officer
and Head of Technical Services
Louisiana Energy Services, National Enrichment Facility, L.L.C.
P.O. Box 1789
Eunice, NM 88231

SUBJECT: LOUISIANA ENERGY SERVICES, L.L.C., URENCO USA FACILITY, DOCKET
NO. 70-3103, AUTHORIZATION TO INTRODUCE URANIUM HEXAFLUORIDE
INTO CASCADE 3.1

Dear Mr. Laughlin:

This letter confirms the Nuclear Regulatory Commission (NRC) authorization to introduce uranium hexafluoride into Cascade 3.1 at the Louisiana Energy Services (LES), URENCO USA Facility located in Eunice, New Mexico. This authorization is pursuant to the provisions of Part 70, Paragraph 70.32(k) and 10 CFR 40.41(g) of Title 10 of the *Code of Federal Regulations* (CFR) that states, "No person may commence operation of a uranium enrichment facility until the Commission verifies through inspection that the facility has been constructed in accordance with the requirements of the license."

This NRC authorization is based on the results of construction and quality assurance inspections of various aspects of Assay 3 in Separation Building Module -1003, as described in the inspection reports listed in the Enclosure. The NRC staff determined that the systems, structures, and components designed to support safe operation of Cascade 3.1, including feed and withdrawal stations, were constructed in accordance with the requirements of your license. Specifically, our inspections provided: (1) reasonable assurance that the design, construction, and implementation of items relied on for safety (IROFS) will protect against natural phenomena and the consequences of potential accidents, (2) verification that the Quality Assurance Program was adequately implemented during construction, and (3) verification that the construction of the IROFS was completed in accordance with the documents comprising the license and the Integrated Safety Analysis.

The publicly available inspection reports that describe the construction and quality assurance inspections of Cascade 3.1 are accessible through the NRC's public electronic reading room, Agency-wide Document Access and Management System (ADAMS) at <http://www.nrc.gov/reading-rm/adams.htm> at the accession numbers listed in the Enclosure.

Please note that this authorization does not apply to any Cascades other than Cascade 3.1 and it does not apply to processes or components associated with future phases of facility operations.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," this document may be accessed through ADAMS on the internet at www.nrc.gov/reading-rm/adams.htm.

Should you have any questions concerning this letter, please contact Mr. Joselito Calle at 404-997-4418.

Sincerely,

/RA/

Anthony T. Gody, Director
Division of Fuel Facility Inspection

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

Enclosure:
Construction and Quality Assurance Inspection
Reports for Assay 3 in SBM-1003 as they
Pertain to Cascade 3.1

cc w/encl: (See page 3)

G. Laughlin

Please note that this authorization does not apply to any cascades other than Cascade 3.1 and it does not apply to processes or components associated with future phases of facility operations.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," this document may be accessed through ADAMS on the internet at www.nrc.gov/reading-rm/adams.htm.

Should you have any questions concerning this letter, please contact Mr. Joselito Calle at 404-997-4418.

Sincerely,

/RA/

Anthony T. Gody, Director
Division of Fuel Facility Inspection

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

Enclosure:
Construction and Quality Assurance Inspection
Reports for Assay 3 in SBM-1003 as they
Pertain to Cascade 3.1

cc w/encl: (See page 3)

Distribution w/encl:
J. Kinneman, NMSS
B. Smith, NMSS
M. Raddatz, NMSS
M. Bailey, NMSS
C. Ogle, RII
J. Yerokun, RII
J. Moorman, RII
S. Freeman, RII
L. Pitts, RII
J. Calle, RII
PUBLIC

☒ PUBLICLY AVAILABLE ☐ NON-PUBLICLY AVAILABLE ☐ SENSITIVE ☒ NON-SENSITIVE

ADAMS: ☐ Yes ACCESSION NUMBER: ML12227A401 ☒ SUNSI REVIEW COMPLETE ☒ FORM 665 ATTACHED

OFFICE	RII:DFFI	RII:DFFI	NMSS	RII:CCI			
SIGNATURE	/RA/	/RA/	Via email	/RA/			
NAME	LPitts	JCalle	JKinneman	JYerokun			
DATE	7/25/2012	7/25/2012	8/13/2012	8/13/2012			
E-MAIL COPY	YES NO	YES NO	YES NO				

OFFICIAL RECORD COPY DOCUMENT NAME: G:\DFFI\BRANCH 2\LES\2012\CASCADE 3-1
AUTHORIZATION LETTER.DOCX

cc w/encl:

Butch Tongate, Deputy Secretary
New Mexico Department of Environment
Office of the Secretary
1190 St. Francis Drive
P. O. Box 26110
Santa Fe, NM 87502-0157

Matt White, Mayor
City of Eunice
P.O. Box 147/1106 Ave J
Eunice, NM 88231

The Honorable Sam D. Cobb, Mayor
City of Hobbs
200 E. Broadway
Hobbs, NM 88240

Alton Dunn, Mayor
City of Jal
P.O. Drawer 340
Jal, NM 88252

Commissioner Gregory H. Fuller
Chairman
Lea County Board of County
Commissioners
Lea County Courthouse
100 North Main, Suite 4
Lovington, NM 88260

Daniel F. Stenger, Counsel
Hogan and Hartson
555 13th Street, NW
Washington, DC 20004

Michael Ortiz, Chief
Radiation Controls Bureau
Field Operations Division
Environmental Department
Harold S. Runnels Building
1190 St. Francis Drive, Room S 2100
P.O. Box 26100
Santa Fe, NM 87502-0157

Gregory Smith, President and Chief
Executive Officer
Louisiana Energy Services, L.L.C.
Electronic Mail Distribution

Brenda Brooks, Director
Community Affairs and Government
Relations
Louisiana Energy Services, L.L.C.
Electronic Mail Distribution

Perry Robinson, Vice President Regulatory
Affairs and General Counsel
National Enrichment Facility
P.O. Box 1789
Eunice, NM 88231

Richard A. Ratliff, PE, LMP
Radiation Program Officer
Bureau of Radiation Control
Department of State Health Services
Division for Regulatory Services
1100 West 49th Street
Austin, TX 78756-3189

**Construction and Quality Assurance Inspection Reports for Assay 3 in SBM-1003 as
They Pertain to Cascade 3.1**

Inspection Report Number	ADAMS Accession Number
2006-001	ML070190661
2007-001	ML071440430
2007-002	ML072280647
2007-003	ML073060571
2007-004	ML080670475
2008-001	ML081160345
2008-002	ML081930118
2008-003	ML083040618
2008-004	ML083540709
2008-006	ML090790642
2009-001	ML090850669
2009-002	ML091770643
2009-003	ML092730612
2009-004	ML093511013
2009-006	ML092820188
2010-005	ML100850424
2010-012	ML102020385
2011-002	ML111190268
2011-003	ML1120070634
2011-004	ML11301A218
2012-002	ML12121A579
2012-004	Pending

Enclosure