

**Quarterly Letter Status Report for
Protection of Classified Information and Related Security
Activities
1st Quarter of Fiscal Year 2015
October 1 through December 31, 2014**

I. Introduction

The U.S. Department of Energy (DOE) and the U.S. Nuclear Regulatory Commission (NRC) have entered into three (3) interagency agreements for DOE to perform certain security related activities for the NRC. These interagency agreements are:

- NRC-HQ-50-12-1-008 "Protection of Classified Information and Related Security Activities at the General Electric Laser Enrichment Facility – J5718"; and

These interagency agreements became effective October 1, 2012. Each of the interagency agreements contains terms that require DOE to provide quarterly letter status reports summarizing the status of all evaluation and inspection tasks relative to each of the agreements.

II. Description of Activities during this Reporting Period

The DOE provided technical assistance by conducting inspections and assessments of Information Technology security activities. Each inspection activity was conducted in conjunction with appropriate NRC staff (as requested). Details of the inspection effort were provided either in person during the inspection or in subsequent electronic correspondence or telephone communication.

A summary discussion of the activities associated with each agreement follows.

B. General Electric Laser Enrichment Facility (J5718)

- Participated in the issuance of an authorization to operate letter to the NRC regarding a revision to a classified cyber network at the Wilmington, NC facility.
- Participated in meetings, telecons, and discussion regarding GE's efforts at the Clinton, TN facility Manufacturing Support Facility (MSF)
- Coordinated and participated in meetings, telecons, and discussions regarding GE-Hitachi efforts to reduce the Wilmington, NC facility operations.
- Completed classified cyber network activities regarding GE-Hitachi's Clinton, TN facility.

- Completed Cyber Security Inspection and inventory assessment at GE Wilmington, NC facility.
- Performed COMSEC account updates for equipment and documentation.

Other activities included the following:

- As the "Federal" Classification Officer for the General Electric Uranium Enrichment Program, performed classification officer duties as follows:
 - Attended Silex Evaluation Group meeting.
 - Participated in NRC Annual inspection of the Wilmington, NC GE facility. Reviewed documents for proper classification and marking.
 - Provided interpretations on classification topics in the Silex Classification Guide.
 - Researched complex classification issue related to laser bandwidth.
 - Participated in phone calls, discussion, and email exchanges with GLE and DOE Headquarters classification personnel regarding status of the GLE program, the excessing of equipment, and activities involved with the preparation of the DOE report on GLE proposed declassifications.

The cost accounting in support of this interagency agreement can be summarized as:

1st Quarter FY15	October	November	December
Federal Emp. Labor	\$10,877.08	\$1,604.84	\$1,080.52
Federal Emp. Travel	\$4,413.46	\$0.00	\$0.00
Contractor 1	\$2,951.64	\$1,147.86	\$1,967.76
Contractor 2	\$6,023.28	\$0.00	\$400.00
Contractor 3	\$291.06	\$1,819.57	\$97.02
Federal Admin. Charge (3%)	\$736.70	\$137.17	\$106.36
Quarterly Total			\$33,654.32

Based upon cumulative funding provided to date, past expenditures and projected future activities, we do foresee the need for additional funding during the second quarter of Fiscal Year 2015.