

**Quarterly Letter Status Report for
Protection of Classified Information and Related Security
Activities
3rd Quarter of Fiscal Year 2014
April 1 through June 30, 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-I-007 "Protection of Classified Information and Related Security Activities at the Louisiana Energy Services Uranium Enrichment Facility – J5717";

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.

This is the fifth (7th) status report provided in accordance with the terms 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.

A. Louisiana Energy Services Uranium Enrichment Facility (J5717)

During this reporting period, DOE's evaluation and inspection efforts included the following:

- Continued review of the proposed revision to a classified cyber network Information System Security Plan (ISSP) which addresses DOE comments.
- Participated in a review of a proposed Oak Ridge National Laboratory (ORNL) Online Enrichment Monitoring (OLEM) system for installation at the LES facility. The OLEM is part of International Atomic Energy Agency (IAEA) Advanced Protocol monitoring of the LES facility.
- Initiated review of LES' revision of the ISSP for the Enrichment Technology-United States (ETUS) Centrifuge Assembly Building (CAB) classified cyber networks.
- Continued review of the LES revision of the ISSPs for the ETUS CAB classified cyber networks.
- Continued participation in the review of the proposed ORNL OLEM system for installation at the LES facility.

Other activities included the following:

- Performed procedure reviews for LES facility cyber security activities.
- Participated in teleconferences for LES facility activities.
- Performed site visit planning activities.
- Conducted site assessment of cyber security facilities at LES Hobbs facility.
- Prepared input for site visit report.
- Participated in teleconferences regarding LES cyber systems with DOE and NRC.
- Performed COMSEC account updates for equipment and documentation.

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

3rd Quarter FY14	April	May	June
Federal Emp. Labor	\$4,328.96	\$556.20	\$556.20
Federal Emp. Travel	\$2,882.06	\$0.00	\$0.00
Contractor 1	\$4,459.84	\$2,587.92	\$1,789.68
Contractor 2	\$5,808.25	\$292.44	\$487.40
Contractor 3	\$197.00	\$98.00	\$13.10
Federal Admin. Charge (3%)	\$530.28	\$106.04	\$85.39
Quarterly Total			\$24,778.76

Based upon cumulative funding provided to date, past expenditures and projected future activities, we do foresee the need for additional funding during the fourth quarter of Fiscal Year 2014.