



~~OFFICIAL USE ONLY – SECURITY-RELATED INFORMATION~~

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II

245 PEACHTREE CENTER AVENUE NE, SUITE 1200
ATLANTA, GEORGIA 30303-1257

January 12, 2017

Gary J. Laughlin, Chief Nuclear Officer
and Head of Operations
URENCO USA
P.O. Box 1789
Eunice, NM 88231

SUBJECT: LOUISIANA ENERGY SERVICES, URENCO USA FACILITY – NUCLEAR
REGULATORY COMMISSION INSPECTION REPORT NUMBER 70-3103/2016-
403

Dear Mr. Laughlin:

This report documents the results of the information security inspection that was conducted on November 15-17, 2016, at the Louisiana Energy Services L.L.C. (LES), URENCO USA facility, located in Eunice, New Mexico. The purpose of this inspection was to determine whether activities authorized under the license were conducted safely, securely and in accordance with Nuclear Regulatory Commission (NRC) requirements. The enclosed report presents the results of this inspection. These results were discussed with members of your staff at exit meetings held on November 17, and December 13, 2016.

During the inspection, the NRC staff examined activities conducted under your license as they related to protection of classified information and to confirm compliance with the Commission's rules and regulations, and with the conditions of your license. Areas examined during the inspections are identified in the enclosed report. Within these areas, the inspections consisted of selected examination of procedures and representative records, observations of activities, and interviews with personnel.

Based on the results of the inspection, the NRC has determined that that one Severity Level IV violation of NRC requirements occurred. This violation is being treated as a Non-Cited Violation (NCV), consistent with Section 2.3.2 of the Enforcement Policy. This NCV is described in the subject inspection report. If you contest the violation or significance of this NCV, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001, with copies to: (1) the Regional Administrator, Region II; (2) the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

The enclosure contains Sensitive Unclassified Non Safeguards Information (Security-Related Information.) Upon separation, this cover letter is DECONTROLLED.
--

In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) 2.390, "Public

~~OFFICIAL USE ONLY – SECURITY-RELATED INFORMATION~~

G. Laughlin

2

inspections, exemptions, requests for withholding," of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room, or from the Publicly Available Records (PARS) component of NRC's Agencywide Documents Access and Management System (ADAMS); accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

The enclosure to this letter contains sensitive unclassified security-related information, and its disclosure to unauthorized individuals could present a security vulnerability. Therefore, in accordance with 10 CFR 2.390(d)(1), this enclosure will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), which is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions regarding the report please contact Leonard Pitts of my staff at (404) 997-4708.

Sincerely,

/RA/

Brannen Adkins, Acting Chief
Projects Branch 1
Division of Fuel Facility Inspection

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

~~Enclosure:—~~

~~NRC Inspection Report 70-3103/2016-403~~

~~—w/Attachment:—Supplemental Information~~

cc: (See page 3)

G. Laughlin

2

In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) 2.390, "Public inspections, exemptions, requests for withholding," of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room, or from the Publicly Available Records (PARS) component of NRC's Agencywide Documents Access and Management System (ADAMS); accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

The enclosure to this letter contains sensitive unclassified security-related information, and its disclosure to unauthorized individuals could present a security vulnerability. Therefore, in accordance with 10 CFR 2.390(d)(1), this enclosure will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), which is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions regarding the report please contact Leonard Pitts of my staff at (404) 997-4708.

Sincerely,

/RA/

Brannen Adkins, Acting Chief
Projects Branch 1
Division of Fuel Facility Inspection

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

Enclosure:—

~~NRC Inspection Report 70-3103/2016-403~~~~w/Attachment: Supplemental Information~~

cc: (See page 3)

DISTRIBUTION:

M. Lesser, RII
L. Pitts, RII
M. Sykes, RII
B. Adkins, RII
J. Rivera Ortiz, RII
D. Parsons, NSIR
K. Everly, NSIR
B. Reilly, NMSS

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

ADAMS: ☐ Yes ACCESSION NUMBER: ML17012A275 ☒ SUNSI REVIEW COMPLETE ☒ FORM 665 ATTACHED

OFFICE	RII:DFFI						
SIGNATURE	/RA/						
NAME	LPitts						
DATE	1/12/2017	1/ /2017	1/ /2017	1/ /2017	1/ /2017	1/ /2017	1/ /2017
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

OFFICIAL RECORD COPY
PUBLIC LETTER.DOCX

DOCUMENT NAME: G:\DFFI\REPORTS\FINAL REPORTS\ILES\2016\UUSA IR 2016_403

G. Laughlin

3

cc:

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

Cheryl Chance, Mayor
City of Jal
P.O. Drawer 340
Jal, NM 88252

Chair Ron R. Black
Lea County Board of County Commissioners
Lea County Courthouse
100 North Main Avenue, Suite 4
Lovington, New Mexico 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

David Sexton, President and Chief Executive Officer
Louisiana Energy Services, LLC
URENCO USA
P.O. Box 1789
Eunice, NM 88231
Dave.Sexton@Urenco.com

G. Laughlin

4

(cc: cont'd)

Clint Williamson, Director
Community Affairs and Government Relations
Louisiana Energy Services, LLC
URENCO USA
P.O. Box 1789
Eunice, NM 88231
Clint.Williamson@urencos.com

Stephen Cowne
P.O. Box 1789
Eunice, NM 88231
stephen.cowne@urencos.com

Salem Thyne
P.O. Box 1789
Eunice, NM 88231
salem.thyne@urencos.com

Perry Robinson, Outside General Counsel
URENCO USA
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-

B. McGowen, UUSA Security Manager
P. O. Box 1789
Eunice, NM 88231

J. Huber, Enrichment Technology US (ETUS)
Security Manager
National Enrichment Facility
P. O. Box 1789
Eunice, NM 88231

Randall DeVault, Regulatory Oversight Manager
U.S. Department of Energy
P.O. Box 2001
Oak Ridge, TN 37831