



MAY 12 2008
NEF-08-00102-NRC

ATTN: Document Control Desk
Director
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
11555 Rockville Pike
Rockville, MD 20852

Louisiana Energy Services, LLC
National Enrichment Facility
NRC Docket No. 70-3103

Subject: Materials License SNM-2010 Condition 15.a

- Reference:**
- 1) NEF-07-00202, License Amendment Request (LAR-07-04), Request for Amendment to Materials License, SNM-2010, to allow possession of byproduct materials and to revise license conditions related to decommissioning and insurance, November 30, 2007.**
 - 2) Letter and Safety Evaluation Report from NRC to LES, Review of LES request to Amend License related to possession of byproduct material, decommissioning financial assurance and liability insurance and Amendment 6 to License, March 14, 2008.**
 - 3) NEF-08-00047-NRC, Submittal of Final Copies of the Proposed Financial Assurance Instruments for the Centrifuge Assembly Building and other Non Separation Building Modules.**

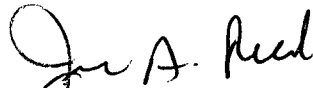
On November 30, 2007 LES submitted a License Amendment Request (LAR-07-02) to the NRC to, among other things, request modification to Condition 15 of the Materials License (Ref. 1). The change allowed for phased funding of decommissioning costs and requested Condition 15 of the Materials License be broke into two parts. On March 14, 2008, the NRC issued Amendment 6 to LES's Materials License approving the requested change (Ref. 2). Part (a) of Condition 15 requires LES to provide proof of \$5 million liability insurance as required under 10 CFR 140.13b at least 30 days prior to the planned date for obtaining test material (≤ 50 kg of natural or depleted UF_6).

As stated in a letter from LES to the NRC (Ref. 3), among other things, LES plans to obtain test material on or about September 16, 2008 in preparation for Hot Acceptance testing in the Centrifuge Assembly Building at the NEF.

On April 22, 2008, LES received approval from American Nuclear Insurers to increase the limit of liability to \$5 million dollars effective August 1, 2008. The approval is attached as enclosure 1.

If you have any questions, please contact Stephen Cowne, Licensing Director at (575) 394-4646.

Respectfully,



Greg
Gregory OD Smith
Chief Operating Officer and Chief Nuclear Officer

Enclosure 1: Letter from American Nuclear Insurers to LES, Facility Form Insurance National Enrichment Facility, April 22, 2008.

cc:
T.C. Johnson, NRC Project Manager w/o



John Hoffman
Director, Underwriting

April 22, 2008

Mr. John W. Lawrence
General Counsel & Secretary
Louisiana Energy Services, L.P.
100 Sun Avenue NE, Suite 204
Albuquerque, NM 87109


***Re: Facility Form Insurance
National Enrichment Facility***

Dear John,

ANI agrees to increase the limit of liability, under Facility Form Policy NF-0350, from \$1,000,000 to \$5,000,000. The increase will be effective on August 1, 2008, and reflects the licensing needs of Louisiana Energy Services for the National Enrichment Facility.

In offering a limit of \$5,000,000, we assume that any requisite radiation protection programs will be in place before nuclear material first arrives at the National Enrichment Facility. Please let me know if you have any questions.

Regards,


John Hoffman
Director, Underwriting

c: Marshall Nadel, Aon Risk Services