



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

REGION II  
SAM NUNN ATLANTA FEDERAL CENTER  
61 FORSYTH STREET, SW, SUITE 23T85  
ATLANTA, GEORGIA 30303-8931

August 23, 2006

Mr. Phillip G. Sewell  
Senior Vice President  
USEC Inc.  
Two Democracy Center  
6903 Rockledge Drive  
Bethesda, MD 20817

SUBJECT: AUTHORIZATION TO INTRODUCE PROCESS GAS TO THE LEAD CASCADE

Dear Mr. Sewell:

As required by Conditions 11, 13, and 15 of NRC License No. SNM-7003, USEC, Inc. was not authorized to introduce uranium hexafluoride in the American Centrifuge Lead Cascade Facility until:

- the Commission completed an operational readiness review (ORR) to verify that management measures to ensure compliance with the performance requirements of 10 CFR 70.61 had been implemented, and confirmed that the facility had been constructed and would be operated safely and in accordance with the requirements of the license;
- the Portsmouth Gaseous Diffusion Plant Emergency Plan (PORTS EP) was revised to appropriately address the American Centrifuge Lead Cascade Facility, and the emergency plan implementing procedures (EPIPs) encompassing those topics had been implemented for at least 120 days; and,
- the decommissioning funding mechanism had been accepted by the NRC and executed by USEC, Inc.

The results of the first portion of the ORR were documented in Inspection Report 70-7003/2006-001, dated August 8, 2006. The final portion of the ORR will be documented in Inspection Report 70-7003/2006-002. The inspector followup items (IFIs) remaining from those inspections involving installation of a fire suppression system for the cylinder feed cart and implementation of a procedure to establish compensatory measures prior to removing items relied on for safety from service for maintenance, were subsequently verified to have been adequately addressed by your staff. Therefore, those IFIs (70-7003/2006-001-01 and 02) are closed.

The Commission also verified during the ORR that the PORTS EP was revised to appropriately address the Lead Cascade, and that the EPIPs encompassing those topics have been implemented for at least 120 days. In addition, the decommissioning funding mechanism was accepted by the NRC in a letter to you dated August 17, 2006.

As a result, the Commission has concluded that USEC, Inc. has met these license conditions and has demonstrated that the facility has been constructed and will be operated safely and securely and in accordance with the requirements of the license. Therefore, the Commission authorizes USEC, Inc. to introduce uranium hexafluoride in the American Centrifuge Lead Cascade Facility following transition of regulatory oversight from the Department of Energy (DOE) to the NRC. As we have discussed, the NRC will conduct additional reviews of the performance testing of safety equipment as you continue with your start-up efforts.

In accordance with 10 CFR 2.390 of NRC's "Rules of Practice," this document may be accessed through the NRC's public electronic reading room, Agency-Wide Document Access and Management System (ADAMS) on the Internet at <http://www.nrc.gov/reading:rm/adams.html>.

Should you have any questions concerning this letter, please contact us.

Sincerely,

*/RA/*

William D. Travers  
Regional Administrator

Docket No. 70-7003  
License No. SNM-7003

cc:

Pete Miner, USEC INC., Director, Regulatory and Quality Assurance - Bethesda  
Dan Rogers, USEC INC., Director, Lead Cascade Construction and Operations - Piketon  
David Couser, USEC INC., Regulatory Manager - Piketon  
R. M. DeVault, Regulatory Oversight Manager, DOE  
C.O\*Claire, State Liaison Officer

Distribution:

J. Giitter, NMSS  
B. Smith, NMSS  
J. Henson, RII  
D. Hartland, RII

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

ADAMS: ☒ Yes      ACCESSION NUMBER: \_\_\_\_\_

OFFICE	RII:DFFI	RII:DFFI	RII:DFFI	RII:ORA	NMSS		
SIGNATURE	<i>/RA/</i>	<i>/RA/</i>	<i>/RA/</i>	<i>/RA/</i>	<i>/RA/</i>		
NAME	DHartland	JHenson	DCollins	LPlisco	BSmith		
DATE	8/16/06	8/16/06	8/23/06	8/23/06	8/16/06		
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

OFFICIAL RECORD COPY      DOCUMENT NAME: E:\Filenet\ML062360187.wpd