



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

January 5, 2023

EA-22-132

Kelly Fitch, Regulatory Manager
American Centrifuge Operating, LLC
P.O. Box 628
Mail Stop 7560
3930 U.S. 23 South
Piketon, OH 45661

SUBJECT: COMPLIANCE WITH 32 CFR PART 117, "NATIONAL INDUSTRIAL SECURITY PROGRAM OPERATING MANUAL" AND EXERCISE OF ENFORCEMENT DISCRETION

Dear Kelly Fitch:

On December 21, 2020, the Department of Defense published the "National Industrial Security Program Operating Manual (NISPOM)" rule, in Title 32 of the *Code of Federal Regulations* (CFR) Part 117, "National Industrial Security Program Operating Manual," in the *Federal Register* (85 FR 83312). The rule had an effective date of August 24, 2021.

ACO must be in compliance with the requirements in 32 CFR Part 117 no later than 180 days from the date of this letter. ACO has already submitted for NRC approval the classified matter protection plans for its Piketon, OH, Oak Ridge, TN, and Bethesda, MD locations and the physical security plan for its Piketon, OH location, that address the requirements of Part 117. ACO has also committed to submitting a gap analysis in early 2023 identifying how the three classified matter protection plans implement specific Part 117 requirements, as well as identifying those requirements that are not applicable to ACO, or for which ACO is requesting a waiver under the rule. Given the information that ACO has already provided to the NRC or has committed to providing in early 2023, the NRC has determined that it is not necessary for ACO to submit a compliance plan indicating how it will implement the requirements in Part 117.

Given ACO's established INFOSEC security program for the protection of classified information, and the efforts taken by ACO to comply with the rule, I have been authorized, after consultation with the Director, Office of Enforcement, to exercise enforcement discretion for past non-compliance associated with 32 CFR Part 117 requirements in accordance with Section 3.5 of the Enforcement Policy. Going forward, the staff may continue to exercise enforcement discretion provided ACO takes appropriate and reasonable steps to come into compliance on a timely basis.

In accordance with Title 10 of the *Code of Federal Regulations*, Section 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter will be available for public inspection in the NRC Public Document Room or from ADAMS. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

If you have any questions, please contact me at 301-415-7751, or via email at Darryl.parsons@nrc.gov.

Sincerely,



Signed by Parsons, Darryl
on 01/05/23

Darryl H. Parsons, Chief
Information Security Branch
Division of Security Operations
Office of Nuclear Security and
Incident Response

Docket No. 70-7004
License No. SNM-2011

cc: L. Cutlip, Sr. Vice President, Centrus
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COMPLIANCE WITH 32 CFR PART 117, "NATIONAL INDUSTRIAL SECURITY PROGRAM OPERATING MANUAL" AND EXERCISE OF ENFORCEMENT DISCRETION DATE January 5, 2023

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