



February 27, 2006
GDP 06-0010

Ms. Melanie A. Galloway
Chief, Technical Support Group
Division of Fuel Cycle Safety and Safeguards
Office of Nuclear Material Safety and Safeguards
Attention: Document Control Desk
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

Paducah Gaseous Diffusion Plant (PGDP)
Portsmouth Gaseous Diffusion Plant (PORTS)
American Centrifuge Lead Cascade Facility (Lead Cascade)
American Centrifuge Plant
Docket Nos. 70-7001, 70-7002, 70-7003 and 70-7004
Fuel Cycle Facility Performance Indicator Program Response

Dear Ms. Galloway:

USEC appreciates the opportunity to provide input to the proposed performance indicator program for fuel cycle facilities. USEC believes that the existing fuel cycle oversight process is functioning effectively at USEC facilities. However, USEC would support the NRC's initiative to evaluate the feasibility of developing a performance indicator (PI) program that improves the effectiveness and efficiency of the oversight process, but we believe that our participation should be as part of an NRC/Industry effort such as was conducted for the development of the Reactor Oversight Process.

USEC believes it is premature to address facility-specific indicators at this time without an understanding of the overall program framework, to include the strategic performance areas and cornerstones associated with the proposed program. USEC recommends the NRC initiate industry-wide discussions to gain input and consensus from the fuel cycle industry on establishment of an appropriate framework for the proposed PI program. These discussions would also present the opportunity for the NRC to communicate the goals of the proposed performance indicator program and provide a forum for feedback by all stakeholders.

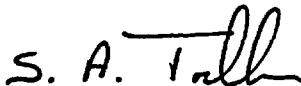
USEC notes that the majority of the PIs developed for the Performance Indicator Program portion of the Reactor Oversight Process are related to initiating events, mitigating systems and barrier

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integrity, which are common areas for reactor facilities. It may be much more difficult to identify common PIs for diverse materials facilities. While USEC makes extensive use of PIs in the management of our facilities, we are somewhat concerned that the addition of a Performance Indicator Program to the NRC's fuel cycle oversight process will increase regulatory burden on top of the current inspection program, which again, we believe is working well. It also appears that the Reactor Oversight Process PI Program is NRC resource intensive, and that aspect of a fuel cycle PI program will impact licensees and certificate holders in the area of fees.

Again, we are prepared to participate, as part of an industry effort with the NRC, to improve the effectiveness and efficiency of the oversight process. Should you have any questions or require additional information, please contact me at (301) 564-3250. There are no new commitments contained in this submittal.

Sincerely,



Steven A. Toelle
Director, Regulatory Affairs

Reference: Letter from Melanie A. Galloway (NRC) to Steven A. Toelle (USEC) "Fuel Cycle Facility Performance Indicator Program".

cc: J. Henson, Chief, Fuel Facility Inspection, NRC Region II
M. Thomas, NRC Senior Resident Inspector, PGDP
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