



UNITED STATES
NUCLEAR REGULATORY COMMISSION

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

April 14, 2006

Mr. Russ B. Starkey Jr.
Vice President - Operations
United States Enrichment Corporation
Two Democracy Center
6903 Rockledge Drive
Bethesda, MD 20817

SUBJECT: NRC INSPECTION REPORT NO. 70-7002/2006-002

Dear Mr. Starkey:

This refers to the inspection conducted on March 20-24, 2006, at your Portsmouth Gaseous Diffusion Plant. The purpose of the inspection was to determine whether activities authorized by the certificate were conducted safely and in accordance with NRC requirements.

As a result of the inspection, the enclosed NRC Forms 591FF, Safety Inspection Report, are being issued. The enclosed forms indicate that no violations were identified during the inspection of your certificate activities.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

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

Sincerely,

/RA/ D. Hartland acting for

Jay L. Henson, Chief
Fuel Facility Inspection Branch 2
Division of Fuel Facility Inspection

Docket No. 70-7002
Certificate No. GDP-2

Enclosure: NRC Form 591FF Parts 1 and 3

cc w/encl: (See page 2)

cc w/encl:

W. Jordan, Portsmouth General Manager
 S. Penrod, Paducah General Manager
 S. A. Toelle, Director, Nuclear Regulatory Affairs, USEC
 R. J. Vranicar, Portsmouth Contracting Officer's Representative, DOE
 C. O'Claire, State Liaison Officer

Distribution w/encl:

D. Martin, NMSS
 D. Ayres, RII
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 PUBLIC

PUBLICLY AVAILABLE NON-PUBLICLY AVAILABLE SENSITIVE NON-SENSITIVE

ADAMS: Yes ACCESSION NUMBER: _____

OFFICE	RII:DFFI	RII:DFFI					
SIGNATURE							
NAME	RGibson	DHartland					
DATE	4/ /2006	4/ /2006	4/ /2006	4/ /2006	4/ /2006	4/ /2006	4/ /2006
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

OFFICIAL RECORD COPY DOCUMENT NAME: E:\Filenet\ML061040094.wpd

NRC FORM 591FF PART 1 <small>(11-2005) 10 CFR 2.201</small>		U.S. NUCLEAR REGULATORY COMMISSION	
SAFETY INSPECTION REPORT AND COMPLIANCE INSPECTION			
1. LICENSEE/LOCATION INSPECTED: United States Enrichment Corporation 6903 Rockledge Drive Bethesda, MD 20817		2. NRC/REGIONAL OFFICE U.S. Nuclear Regulatory Commission Region II, Division of Fuel Facilities Inspection 61 Forsyth Street, Suite 23T85 Atlanta, GA 30303	

REPORT NO. 70-7002/2006-002

3. DOCKET NUMBER(S)
70-7002

4. LICENSEE NUMBER(S)
GDP - 2

5. DATE(S) OF INSPECTION
March 20-24, 2006

LICENSEE:

The inspection was an examination of the activities conducted under your license as they relate to radiation safety and to compliance with the Nuclear Regulatory Commission (NRC) rules and regulations and the conditions of your license. The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector. The inspection findings are as follows:

- 1. Based on the inspection findings, no violations were identified.
- 2. Previous violation(s) closed.
- 3. The violation(s), specifically described to you by the inspector as non-cited violations, are not being cited because they were self-identified, non-repetitive, and corrective action was or is being taken, and the remaining criteria in the NRC Enforcement Policy, NUREG-1600, to exercise discretion, were satisfied.

_____ Non-Cited Violation(s) was/were discussed involving the following requirement(s) and Corrective Action(s):

- 4. During this inspection certain of your activities, as described below and/or attached, were in violation of NRC requirements and are being cited. This form is a NOTICE OF VIOLATION, which may be subject to posting in accordance with 10 CFR 19.11.

(Violations and Corrective Actions)

Licensee's Statement of Corrective Actions for Item 4, above.

I hereby state that, within 30 days, the actions described by me to the inspector will be taken to correct the violations identified. This statement of corrective actions is made in accordance with the requirements of 10 CFR 2.201 (corrective steps already taken, corrective steps which will be taken, date when full compliance will be achieved). I understand that no further written response to NRC will be required, unless specifically requested.

Title	Printed Name	Signature	Date
LICENSEE'S REPRESENTATIVE			
NRC INSPECTOR	Richard Gibson, Jr.	/RA/	4/13/06

**SAFETY INSPECTION REPORT
AND COMPLIANCE INSPECTION**

1. LICENSEE

**United States Enrichment Corporation
6903 Rockledge Drive
Bethesda, MD 20817**

2. NRC/REGIONAL OFFICE

**U.S. Nuclear Regulatory Commission
Region II, Division of Fuel Facilities Inspection
61 Forsyth Street, Suite 23T85
Atlanta, GA 30303**

REPORT NUMBER(S): **70-7002/2006-002**

3. DOCKET NUMBER(S):

70-7002

4. LICENSE NUMBER(S):

GDP-2

5. DATE(S) OF INSPECTION:

March 20-24, 2006

6. INSPECTOR(S): R. Gibson, Jr.

7. INSPECTION PROCEDURES USED: 88045, "Environmental Protection"; 88035, "Waste Management"; 84850, "Waste Generator Requirements"; 84900, "Low Level Rad Waste Storage"; and, 86740, "Transportation"

SUPPLEMENTAL INSPECTION INFORMATION

Executive Summary

The Portsmouth Gaseous Diffusion Plant had previously discontinued uranium hexafluoride (UF₆) enrichment and is presently processing UF₆ to remove impurities like technetium-99, and conducting other cleanup processes as part of cold standby efforts. During the period of the inspection, routine cleanup operations were conducted without incident.

This routine, announced inspection included observations and evaluation of the transportation, environmental, waste management, low level radioactive waste, waste generator requirements, and management organization and control areas. The inspection identified the following aspects of the certificate holder program as outlined below:

Transportation

- The inspector determined that activities associated with the packaging, classification, and shipment of UF₆ cylinders and dry active radioactive waste were performed in accordance with the current procedures and regulations.
- Records pertaining to shipments of special nuclear material (SNM) and waste containing SNM were appropriately completed and maintained.

Executive Summary (continued)

- The certificatee's transportation activities were in compliance with the applicable Nuclear Regulatory Commission (10 CFR Parts 20 and 71) and Department of Transportation regulations.
- Management controls for the packaging and transporting of radioactive materials were being implemented in accordance with the quality assurance program.

Environmental Protection

- The certificatee's environmental monitoring program was implemented in accordance with the certificate requirements. Environmental sampling results for vegetation, soil, fish, river sediments, surface water, and occasional animal samples showed uranium activities near background levels in the environment and below the certificatee's baseline effluent quantity.
- An acceptable quality control program was maintained for analytical measurements of environmental samples.
- The environmental audit program was consistent with the requirements specified in the certificate application. The environmental program audits were thorough and corrective actions were tracked to resolution.

Waste Management

- The certificatee effectively maintained liquid effluent concentrations below the limits specified in the certificate and 10 CFR Part 20.
- The gaseous effluent monitoring program was effective in controlling and measuring effluents, and compliant with the requirements of the certificate. The effluent air sampling equipment, including the traps (containing alumina as the media) and the sample delivery lines, was properly maintained. Calculated offsite doses were below regulatory limits.

Low-level Radioactive Waste Storage

- The waste storage management program was adequately implemented and provided the information needed to ensure proper storage, safe shipment, and disposal of waste. Dry active, mixed, and low-level radioactive waste (LLRW) stored in Building XT-847 was in an acceptable condition for containing the material. The LLRW was stored in accordance with regulatory requirements. The certificatee's tracking system for LLRW was adequate for tracking waste from generation to shipment for disposal.

Radioactive Waste Generator Requirements

- The radioactive waste shipment tracking system records and waste shipment manifests were complete and accurate. The program for the disposal of LLRW was compliant with regulatory requirements. The certificatee's programs and procedures for maintaining control and quality assurance of radioactive waste shipments were found to be adequate.

Executive Summary (continued)

Management Organization and Controls

- The inspectors reviewed a sample of records related to the qualifications of managers selected to fill positions during a recent reorganization and verified that the managers met the requirements in the certificate application. However, review forms were not completed to document the bases that the abilities possessed by some individuals would fulfill duties of specific positions (i.e., experience in lieu of required college education). The certificatee issued a problem report to document the deficiency and subsequently completed the qualification review forms.

Items Opened, Closed, and Discussed

None