



UNITED STATES
NUCLEAR REGULATORY COMMISSION

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

August 11, 2006

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

SUBJECT: LICENSEE PERFORMANCE REVIEW (LPR) OF CERTIFIED ACTIVITIES FOR
THE PORTSMOUTH GASEOUS DIFFUSION PLANT, DOCKET NO. 70-7002

Dear Mr. Starkey:

Managers and staff in our Region II office in Atlanta, Georgia, and the Office of Nuclear Material Safety and Safeguards (ONMSS) in Rockville, Maryland, completed a review of your performance in conducting NRC certified activities at the Portsmouth Gaseous Diffusion Plant. The review evaluated your performance during the period beginning August 8, 2004, and ending July 1, 2006. Portsmouth's performance was evaluated in four major areas: Safety Operations, Radiological Controls, Facility Support, and Special Topics. This letter and its enclosure provides to you the results of our review, and will be used as a basis for establishing the NRC oversight program for your conduct of licensed activities during the next 24 months.

No areas needing improvement were identified in the areas evaluated. Portsmouth continued to conduct its activities safely as determined during the review period. We noted that your actions taken to improve your radioactive contamination control practices, an area identified during previous LPR periods, have been effective in improving those practices.

The results of our review will be discussed with you at your facility during a meeting open to the public on September 27, 2006. During the meeting, we expect you to discuss your view of your performance in the same major areas as the NRC evaluated. Based on the current review, your demonstrated performance to continue and operate the facility safely, and the limited scope of your current operations, the NRC will generally conduct inspections at your facility below the core inspection level for a gaseous diffusion plant, as it is being maintained in "cold standby."

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

R. B. Starkey, Jr.

2

Questions and comments about NRC's review of Portsmouth's performance should be referred to Mr. Jay Henson, who can be reached by telephone at 404-562-4731.

Sincerely,

/RA/

Douglas M. Collins, Director
Division of Fuel Facility Inspection

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

Enclosure: Licensee Performance Review

cc w/encl:

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

Distribution w/encl:

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ADAMS: X Yes ACCESSION NUMBER: _____

OFFICE	RII:DFFI	RII:DFFI					
SIGNATURE	DH 8/10/06	DH for 8/10/06					
NAME	DHartland	JHenson					
DATE	8/ /2006	8/ /2006	8/ /2006	8/ /2006	8/ /2006	8/ /2006	8/ /2006
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

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**LICENSEE PERFORMANCE REVIEW FOR PORTSMOUTH
ASSESSMENT PERIOD: August 4, 2004 to July 1, 2006**

The following is a summary of the performance of the Portsmouth Gaseous Diffusion Plant in the conduct of NRC certified activities.

PERFORMANCE AREA: SAFETY OPERATIONS

This area is comprised of chemical safety, nuclear criticality safety, plant operations, and fire safety.

Program Areas Needing Improvement

- No specific areas needing improvement were identified in Safety Operations.

PERFORMANCE AREA: RADIOLOGICAL CONTROLS

This area is comprised of radiation protection, environmental protection, waste management, and transportation.

Program Areas Needing Improvement

- No specific areas needing improvement were identified in Radiological Controls.

PERFORMANCE AREA: FACILITY SUPPORT

This area is comprised of maintenance and surveillance, training, emergency preparedness, and management organization and controls.

Program Areas Needing Improvement

- No specific areas needing improvement were identified in Facility Support.

PERFORMANCE AREA: SPECIAL TOPICS

This area is comprised of safety licensing.

Program Areas Needing Improvement

- No specific areas needing improvement were identified or Special Topics.

Enclosure