

September 29, 2006

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

SUBJECT: PADUCAH GASEOUS DIFFUSION PLANT - DENIAL OF REQUEST TO REVISE
INTERIM COMPENSATORY MEASURES

Dear Mr. Starkey:

By application dated March 6, 2006, the United States Enrichment Corporation (USEC) sought to revise Interim Compensatory Measures (ICMs) required by U. S. Nuclear Regulatory Commission (NRC) order dated June 17, 2002 (67 FR 44242 (July 1, 2002)). As set forth in the June 17, 2002 order, the ICMs modified USEC's certificate of compliance for the Paducah plant.

The NRC staff has reviewed the March 6, 2006 request, and finds that the proposed security changes would likely result in a decrease in the effectiveness of the current security program. The proposed changes are not consistent with current regulatory requirements and the NRC's June 17, 2002, order regarding the Paducah site. USEC's request is therefore denied.

The details of USEC's March 6, 2006 request, and the additional basis for NRC's denial, are classified and not available for public review. The NRC's evaluation of your request is being provided separately, by classified mailing, to Mr. Steven A. Toelle, at USEC headquarters, and Mr. Steve Cowne, at the Paducah plant.

As indicated above, your March 6, 2006 request is effectively an application for an amended certificate of compliance. Accordingly, should you decide to contest this denial action, you must request review within 30 days, pursuant to 10 CFR § 76.45(d).

If there are any questions regarding this action, please contact the Project Manager, Dan E. Martin, by telephone at (301) 415-7254, or by e-mail, to dem1@nrc.gov.

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

Sincerely,

/RA/

Gary S. Janosko, Chief
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket: 70-7001
Certificate: GDP-1

cc: Steven A. Toelle, USEC-Headquarters
Randall M. DeVault, DOE-Oak Ridge
Steve Penrod, USEC-Paducah

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Gary S. Janosko, Chief
Fuel Cycle Facilities Branch
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