

October 17, 2006

MEMORANDUM TO: Gary Janosko, Deputy Director
Fuel Facility Licensing Directorate
Division of Fuel Cycle Safety
and Safeguards

THRU: Brian W. Smith, Chief
Enrichment and Conversion Branch
Division of Fuel Cycle Safety
and Safeguards

FROM: Stan Echols */RA/*
Senior Project Manager
Enrichment and Conversion Branch
Division of Fuel Cycle Safety
and Safeguards

SUBJECT: OCTOBER 4, 2006, MEETING SUMMARY:
USEC INC. QUARTERLY MANAGEMENT MEETING

On October 4, 2006, U.S. Nuclear Regulatory Commission (NRC) staff met with management staff from USEC Inc. to discuss project status and management issues related to USEC Inc.'s application for a gas centrifuge uranium enrichment facility proposed to be constructed and operated in Piketon, Ohio. I am enclosing the meeting summary for your use. This summary contains no proprietary or classified information.

Docket No.: 70-7004

Enclosure 1: NRC/USEC Inc. Senior Management Meeting Summary
Enclosure 2: Attendee list
Enclosure 3: Meeting agenda

cc: (Cover Memo and Attachment)

William Szymanski/DOE	Michael Marriotte/NIRS	Dan Minter/SODI
Carol O'Claire/Ohio EMA	James Curtiss/W&S	Randall DeVault/DOE
Lindsay Lovejoy/NIRS	Karl Gross/LES	Peter Miner/USEC Inc.
Rocky Brown/Mayor of Beaver	Jim Brushart/Pike Co. Comm.	Geoffrey Sea
David Bowe/SPFPA/USEC	Teddy West/Scioto Twp. Trust.	Robert Owen/Ohio DoH
Billy Spencer/Mayor of Piketon	Vina Colley/PRESS	Donald Silverman/Morgan Lewis
Harry Rider/Pike Co. Comm	Larry Scaggs/Seal Twp. Trust.	Carrie Mytinger/Cong. Ney
Robert Huff/Portsmouth CoC	Ted Wheeler/Pike County Aud.	Marvin Jones/Chillicothe CoC
Kara Willis/Gov. Taft's Reg. 7	Ewan Todd/PRESS	Dwight Massie/Pike CoC
Joyce Leeth/Pike Co. Rec	Blaine Beekman/Pike CoC	MarJean Kennedy/Gov. Taft

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Hearing file

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OFC	ECB		ECB		ECB		OGC		ECB	
NAME	JDowns		SEchols		LWilliamson		MBupp		BSmith	
DATE	10/ 12 /06		10/ 12 /06		10/ 12 /06		10/17/06		10/17/06	

OFFICIAL RECORD COPY

NRC/USEC Inc. Senior Management Meeting Summary

Date: October 4, 2006

Place: U.S. Nuclear Regulatory Commission (NRC) Offices; Rockville, Maryland

Attendees: See Enclosure 2

Purpose:

The purpose of this meeting was to discuss project status and management issues related to the Nuclear Regulatory Commission (NRC) review of USEC Inc.'s (USEC's) application for a gas centrifuge uranium enrichment facility, the American Centrifuge Plant (ACP), proposed to be constructed and operated in Piketon, Ohio. The meeting agenda is in Enclosure 3.

Discussion:

After introductions, Mr. Jack Strosnider, Director of the Office of Nuclear Material Safety and Safeguards (NMSS), opened the seventh USEC quarterly management meeting by stating that the application was submitted just over two years ago, and that the NRC has completed the safety and safeguards review of the application. He also stated that the NRC completed the environmental review, and issued the Final Environmental Impact Statement (FEIS) last April.

Mr. Strosnider discussed the compilation of documents that the staff has put together for review by the Atomic Safety Licensing Board (ASLB). It is anticipated the ASLB will submit clarifying questions for the staff to answer. After the Board completes its review of the record, it will conduct a mandatory hearing to determine whether the staff conducted an adequate review of the license application as reflected in the SER. At this time, the Board has not indicated its schedule or format for the hearing.

Mr. Strosnider also mentioned the staff will be conducting a public meeting in Piketon, Ohio, on October 18, 2006, to discuss the results of the SER and FEIS. The public will be able to participate in this meeting by providing comments and asking questions throughout the meeting.

Mr. Strosnider summarized by saying he was pleased that both the Final EIS and SER are now available to the public. In addition, he stated that the NRC appreciated the responsiveness of USEC over the past few months, and during the entire review process for that matter, as the staff closed out the few remaining open issues, which enabled completion of the SER.

Mr. Phillip Sewell, Senior Vice President, American Centrifuge, stated that USEC was working with the Department of Energy (DOE) to finalize the lease. He added that USEC remains focused on providing high quality, timely, and complete responses to any future NRC requests. Mr. Sewell also stated that USEC is pleased that the FEIS and SER have been published. He also mentioned that the USEC Lead Cascade is anticipated to be in full operation by the middle of next year.

Mr. Brian W. Smith, Chief, Enrichment and Conversion Branch, NMSS, then discussed how the staff's interactions with USEC have been quite productive. USEC's willingness to update analyses on such topics as fire protection and criticality, and to revise IROFS, were cited as examples of USEC management's cooperation to provide additional information needed to close remaining issues.

Mr. Smith stated that all issues were resolved satisfactorily and the SER was issued on September 11, 2006, and placed on the NRC web page on September 19, 2006. He also stated the remaining key issues resolved include the criticality safety review, liability insurance, and decommissioning funding.

Mr. Smith then outlined the additional issues affecting issuance of a license. He stated that the NRC staff reviewed DOE's proposed changes to the Memorandum of Understanding (MOU) on regulatory oversight of the ACP and provided comments to DOE. DOE should provide a revised draft MOU soon. USEC will be provided a copy for comment. He also stated that the NRC cannot issue a license for the ACP until the USEC-DOE lease agreement for the ACP is signed, and the NRC confirms that nothing in the lease would contradict the license.

Ms. Margaret Bupp, NRC Office of the General Counsel, then discussed the progress on the mandatory hearing. She stated that documents, including SER and EIS, have been submitted to the Atomic Safety and Licensing Board for review and that the staff is awaiting questions from the Board and will respond to any issues identified by the Board. Once its questions are answered, the Board will announce the mandatory hearing format and schedule.

Mr. Stan Echols, Senior Project Manager, Enrichment and Conversion Branch, then talked about the progress made in the environmental review. He stated that the staff completed the final EIS in April 2006, and the Environmental Protection Agency (EPA) Notice of Availability was issued on May 19, 2006. A few weeks ago, the EPA and NRC held a telephone conference to seek clarification about certain EPA comments regarding the EIS. The EPA will call back after it reviews and clarifies its own comments.

Mr. Smith then briefly discussed the progress on the Lead Cascade Facility. He stated that Region II has completed its Operational Readiness Review and that regulatory oversight of the Lead Cascade has been transferred from DOE to the NRC. He also stated that Region II held a meeting on September 27th, in Piketon, Ohio, to inform the public of the current status of the Lead Cascade and to address questions from the public.

The representatives from USEC were then asked if they had any further information to disclose, and the only comment came from Mr. Peter Miner, Licensing Manager. He stated that inspections relating to the ACP's liability insurance were currently underway at the facility, and that he expected further discussions with the insurance company.

The meeting was then opened for questions/comments from members of the public. There were none.

Mr. Stronsider concluded the meeting by reiterating the importance of the NRC's review to ensure protection of the environment and the public, and the need for continued good communications and interactions between USEC and NRC to facilitate an effective and efficient review.

The meeting was then adjourned.

Action Items

No action items.

USEC Inc. Quarterly Management Meeting Attendance List
October 4, 2006

<u>Name</u>	<u>Affiliation</u>	<u>Phone Number</u>	<u>E-Mail</u>
Jack Strosnider	NRC/NMSS	301-415-7800	JRS2@NRC.GOV
Bob Pierson	NRC/FCSS	301-415-7213	RCP@NRC.GOV
Gary Janosko	NRC/FCSS	301-415-7485	GSJ@NRC.GOV
Brian Smith	NRC/FCSS	301-415-7457	BWS1@NRC.GOV
Peter Miner	USEC	301-564-3470	MinerP@USEC.COM
Dennis Scott	USEC	301-465-3352	ScottD@USEC.COM
Stan Echols	NRC/FCSS	301-415-6981	FSE@NRC.GOV
Phil Sewell	USEC	301-564-3305	Sewell@USEC.COM
James Downs	NRC/FCSS	301-415-3194	JRD2@NRC.GOV
Molly Bupp	NRC/OGC	301-415-3722	MJB5@NRC.GOV
Carlyn Greene	Wash. Nuclear	770-833-6339	CG@NYNCO.COM

USEC Inc. Quarterly Management Meeting Agenda
October 4, 2006

- I. Welcome
- II. Introductory Remarks
- III. Safety and Safeguards Review
 - a. ACP
 - b. Additional Issues Affecting Issuance of a License
 - c. Hearing
 - d. Environmental
 - e. Lead Cascade Interface
- IV. USEC Comments
- V. Public Comments
- VI. Closing Remarks