



September 18, 2007
AET 07-0061

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555-0001

American Centrifuge Plant (ACP)
Docket No. 70-7004; License No. SNM-2011
Reply to a Notice of Violation 70-7004/2007-001-04

NRC Inspection Report No. 70-7004/2007-001 and Notice of Violation dated August 23, 2007, contained one violation involving USEC Inc. authorizing its primary contractor as a Quality Level – 1 supplier with no limitations without having examined objective evidence that all elements of the contractor's Quality Assurance Program were being implemented effectively.

USEC Inc.'s response to this violation is provided in Enclosure 1. There are no additional commitments made in this letter.

Unless specifically noted, the corrective actions apply solely to ACP. If you have any questions regarding this submittal, please contact Terry Sensue at (740) 897-2412.

Sincerely,

Daniel W. Rogers
Director, American Centrifuge Plant

Enclosures: As stated

cc: Regional Administrator – NRC RII
Chief, FFIB2 – NRC RII
Sr. Fuel Facility Inspector – NRC RII
Chief, E&CB – NRC HQ

IE07

NHSS

U.S. Nuclear Regulatory Commission
September 18, 2007
AET 07-0061, Page 2

Distribution

bcc:

V. Lopiano – HQ

P. Miner – HQ

T. Sensue

G. Smith

**USEC INC.
REPLY TO NOTICE OF VIOLATION (VIO) 70-7004/2007-001-04**

Restatement of Violation

Condition 10 of NRC License Number SNM-2011 states, in part, that the licensee shall conduct authorized activities at the American Centrifuge Plant in accordance with the statements, representations, and conditions, or as revised in accordance with Section 19 of the Quality Assurance Program Description (QAPD), 10 CFR 40.35(f), 10 CFR 51.22, 10 CFR 70.32, 10 CFR 70.72, or 10 CFR 95.19 in QAPD dated August 23, 2004, and supplements thereto.

Section 18.2 of the QAPD, "External Audits", requires, in part, that external audits are performed to verify acceptability of Quality Level (QL) – 1 suppliers. Objective evidence is examined to determine if the QAPD elements are being implemented effectively.

Contrary to the above, on May 3, 2007, the licensee authorized its primary construction contractor as a QL-1 supplier with no limitations without having examined objective evidence that all elements of the contractor's QAPD were being implemented effectively.

USEC Inc. Response

I. Reason for the Violation

The reason for the violation is procedure ACD2-QM-005, Supplier Control Program, did not provide explicit instructions on imposing supplier limitations; this procedure only mentioned that the limitations be documented.

USEC Inc. audit report # ACP-SA-07-001, dated May 1, 2007, performed on its primary construction contractor was very explicit in identifying the Quality Assurance (QA) elements that could not be verified. However, this information was not transposed to the "limitations" section of Form AC-34, Approved Supplier List (ASL).

This was the first vendor audit performed by the QA staff. There were no previous audit plans, checklists, report templates, or ASLs that could be used as examples. Subsequent to the primary construction contractor audit, QA staff performed three other supplier audits and explicit limitations were placed on all three of these suppliers.

II. Corrective Actions Taken and Results Achieved

1. On August 8, 2007, the ASL for the primary construction contractor was revised to add a limitation. This action addressed meeting the intent of also documenting any limitations on the ASL Form AC-34.
2. On September 13, 2007, a revision to procedure ACD2-QM-005 was made effective. This revision provided instructions for when limitations are to be documented on the ASL. This action addressed and corrected the root cause of this violation.
3. On September 18, 2007, a QA staff briefing was held by the QA manager to discuss the changes made to procedure ACD2-QM-005. This action addressed ensuring the QA staff understands how to document limitations on the ASL.

III. Corrective Steps to be Taken to Avoid Further Violations

No further corrective actions are needed.

IV. Date of Full Compliance

USEC Inc. achieved full compliance on August 8, 2007, by correcting the condition cited in this violation when the ASL for the primary construction contractor was revised to add a limitation.