



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
61 FORSYTH STREET, SW, SUITE 23T85
ATLANTA, GEORGIA 30303-8931

April 24, 2008

EN 43915

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

SUBJECT: NRC INSPECTION REPORT NO. 70-7002/2008-002

Dear Mr. Starkey:

This refers to the inspection conducted from March 24 - 28, 2008, at the Portsmouth facility. The purpose of the inspection was to determine whether activities authorized by the license were conducted safely and in accordance with NRC requirements. On March 28, 2008, the inspectors discussed the findings with members of your staff.

As a result of the inspection, the enclosed NRC Form 591FF, Safety Inspection Report, Parts 1 and 3, are being issued. The enclosed form indicates that no violations were identified during the inspection of your certified activities. Please retain the original form for your files.

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

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

Enclosure: (See page 2)

R. Starkey, Jr.

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Enclosure: NRC Form 591FF Parts 1 and 3

cc w/encl:

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R. Starkey, Jr.

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PUBLICLY AVAILABLE NON-PUBLICLY AVAILABLE SENSITIVE NON-SENSITIVE

ADAMS: X Yes ACCESSION NUMBER: _____

OFFICE	RII:DFFI	RII:DFFI	RII:DFFI				
SIGNATURE	DH 4/24/08	MC 2/24/08	JP 2/24/08				
NAME	DHartland	MCrespo	JPelchat				
DATE	4/ /2008	4/ /2008	4/ /2008	4/ /2008	4/ /2008	4/ /2008	4/ /2008
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

OFFICIAL RECORD COPY DOCUMENT NAME: C:\DOCUMENTS AND SETTINGS\MGC1\DESKTOP\PORTS 08-02.DOC

SAFETY AND COMPLIANCE INSPECTION REPORT

1. LICENSEE OR CERTIFICATEE/LOCATION INSPECTED: United States Enrichment Corporation 6903 Rockledge Road Bethesda, MD 20817 REPORT NO: 2008-002	2. NRC/REGIONAL OFFICE: U.S. Nuclear Regulatory Commission Region II 61 Forsyth Street, Suite 23T85 Atlanta, GA 30303	
3. DOCKET NUMBER(S): 70-7002	4. LICENSE OR CERTIFICATEE NUMBER: GDP-2	5. DATE(S) OF INSPECTION: March 24-28, 2008

6. INSPECTION PROCEDURE(S) COMPLETED 86740, 88035, and 88050

LICENSEE OR CERTIFICATEE:

The inspection was an examination of the activities conducted under your license or certificate as they related to safety and/or safeguards and to compliance with the Nuclear Regulatory Commission (NRC) rules and regulations and the conditions of your license or certificate. The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observation 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. Reported events reviewed: NRC #: 43915
- 4. The violation(s), specifically described to you by the inspector as non-cited violations, are not being cited because they were non-repetitive, licensee-identified, and corrective action was being taken, and the remaining criteria in the NRC Enforcement Policy to exercise discretion were satisfied.
 Non-Cited Violation(s) was/were discussed involving the following requirement(s) and Corrective Action(s):
- 5. 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)

Statement of Corrective Actions

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/CERTIFICATEE			
NRC INSPECTOR	John Pelchat; Manuel Crespo	/RA/	4/25/08

**DOCKET FILE INFORMATION
SAFETY AND COMPLIANCE INSPECTION REPORT**

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REPORT NO: 2008-002			
3. DOCKET NUMBER(S): 70-7002	4. LICENSE OR CERTIFICATEE NUMBER: GDP-2	5. DATE(S) OF INSPECTION: March 24-28, 2008	

6. INSPECTOR(S): John Pelchat and Manuel Crespo

7. INSPECTION PROCEDURES USED: 86740, 88035, and 88050

SUPPLEMENTAL INSPECTION INFORMATION

EXECUTIVE SUMMARY

Summary of Plant Status

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 shutdown efforts. During the period of the inspection, routine cleanup operations were conducted without incident.

This was a routine, announced inspection that included observations and evaluations of the transportation, emergency preparedness, and radiological waste management programs. The inspection involved interviews with plant personnel, review of selected records, and observation of work activities. The inspection identified the following aspects of licensee's program as outlined below:

Transportation (IP 86740)

- The certificatee adequately packaged and classified shipments of UF₆ cylinders in accordance with the current procedures and regulations.
- The certificatee adequately received UF₆ cylinders in accordance with the current procedures and regulations.
- The certificatee's shipping papers contained the required information as found in the regulations.
- Current certificates of compliance (CoC) were on file and being properly implemented for the shipping containers used to transport UF₆ cylinders.
- Personnel responsible for the shipment and receipt of material were knowledgeable of NRC, Department of Transportation, and applicable plant procedure requirements. Quality assurance audits were conducted in accordance with certificate requirements.

Executive Summary (Cont.)

Emergency Preparedness (IP 88050)

- The certificate holder made no major changes to the emergency preparedness program since the last inspection. Minor changes to the emergency plan reflected changes in personnel. These changes received the appropriate level of review and were appropriately communicated to affected on and off-site personnel.
- The certificate holder's implementing procedures incorporated the requirements described in the safety analysis report and emergency plan.
- Training provided to on and off-site emergency responders met the requirements described in the certificatee's safety analysis report.
- Interviews of off-site emergency response organization personnel indicated that the certificate holder routinely communicated with off-site agencies. It was noted that plant personnel visited each organization on a regular basis to update copies of the facility emergency plan.
- The inspectors observed an adverse weather drill. Plant personnel conducted an effective and open critique regarding the adequacy of procedures and the performance of plant personnel participating in the drill.
- The results of emergency preparedness audit demonstrated that the certificate holder effectively assessed its emergency management program. Audits conducted by the certificate holder identified only minor issues that were captured and tracked in the corrective action system. The certificate holder adequately addressed all documented audit findings.
- Equipment relied on for emergency management was inspected, maintained, and tested in accordance with the certificate requirements.

Radiological Waste Management (IP 88035)

- The certificatee clearly delineated responsibility and procedures to the different organizations for the processing of radioactive waste at the facility.
- The certificatee adequately conducted self assessments and quality assurance audits for the implementation of the waste program.
- Waste generation areas were properly maintained, and waste classification was observed to be adequately implemented.
- Routine waste shipments were properly assigned a representative radionuclide spectrum.
- The certificatee appropriately labeled and surveyed waste packages according to written and approved procedures.
- Inspections of the B-25 containers were properly performed to ensure that the containers met the quality assurance requirements for storage and shipping of radiological waste.
- The certificatee provided documentation for its contract with a vendor. The agreement specified the type of waste to be shipped and its characterization. Limits specified met the federal regulation requirements.
- The review of NRC Event #43915 identified that the certificatee failed to accurately identify the mass of uranium-233, as required by 10 CFR 20 Appendix G C.10, for a non-routine waste disposal shipment. This failure was the result of as low as reasonably achievable (ALARA) concerns (due to the level removable contamination and external radiation emanating from the container) that prevented USEC's Non Destructive Analysis group from performing a thorough analysis of the container contents. However, the identification of the uranium-233 would have only modified the shipping manifest with the inclusion of the "fissile excepted" clause. Therefore, this failure constitutes a violation of minor significance and is not subject to formal enforcement action.