



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

August 8, 2008

Mr. Peter J. Miner, Director,
Regulatory and Quality Assurance
USEC Inc.
Two Democracy Center
6903 Rockledge Drive
Bethesda, MD 20817

**SUBJECT: LICENSEE PERFORMANCE REVIEW (LPR) OF LICENSED ACTIVITIES FOR
THE LEAD CASCADE, DOCKET NO. 70-7003**

Dear Mr. Miner:

The NRC Region II and Headquarters staffs completed a review of your performance in conducting NRC licensed activities at the Lead Cascade facility in Piketon, Ohio. The review evaluated your performance during the period beginning August 25, 2006, and ending July 5, 2008. The Lead Cascade's performance was evaluated in five major areas: Safety Operations, Safeguards, Radiological Controls, Facility Support, and Special Topics. This letter and its enclosure provide 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. Activities at the Lead Cascade were conducted safely as determined during the review period. Based on the current review, your demonstrated performance to continue and operate the facility safely, and the limited amount of licensed material that you are processing, the NRC will continue to conduct inspections at your facility below the core inspection level for a uranium enrichment facility.

We do intend to revise the existing inspection program to perform routine annual classified material and information security inspections. NRC staff recently performed a review of its classified material and information security inspection program and determined that an increase in inspections for all licensees possessing classified information was needed based on the nuclear proliferation risks associated with enrichment technologies.

We also intend to modify our inspection program to include routine criticality safety inspections. Although your facility possesses a limited amount of special nuclear material, a nuclear criticality safety program is described in your license application. This additional inspection effort will focus on the implementation of those program requirements.

P. Miner

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The results of our review will be discussed with you at your facility during a meeting open to the public on September 10, 2008. During the meeting, we expect you to discuss your view of your performance in the same major areas as the NRC evaluated.

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).

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

Sincerely,

/RA/ M. Layton for

Joseph W. Shea, Director
Division of Fuel Facility Inspection

Docket No. 70-7003
License No. SNM-7003

Enclosure: Licensee Performance Review

cc w/encl:
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cc w/encl: (Cont'd on page 3)

P. Miner

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(cc w/encl: cont'd)
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ADAMS: X Yes ACCESSION NUMBER: _____ X SUNSI REVIEW COMPLETE

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| OFFICE | RII:DFFI | RIILDFFI | RII:DRS | NMSS | NSIR | |
| SIGNATURE | DH 8/8/08 | DH for 8/8/08 | JM 8/8/08 | DD via email | LS via email | |
| NAME | DHartland | JHenson | JMunday | DDorman | LSilvious | |
| DATE | 8/ /2008 | 8/ /2008 | 8/ /2008 | 8/ /2008 | 8/ /2008 | 8/ /2008 |
| E-MAIL COPY? | YES NO | YES NO | YES NO | YES NO | YES NO | YES NO |

OFFICIAL RECORD COPY DOCUMENT NAME: G:\FFBI\ASSESS\LICENSEE\USEC LEAD CASCADE\2008\PORTS LC LPR LETTER 2008.DOC

**LICENSEE PERFORMANCE REVIEW FOR THE USEC INC. LEAD CASCADE
ASSESSMENT PERIOD: AUGUST 25, 2006 TO JULY 5, 2008**

The following is a summary of the performance of the Lead Cascade in the conduct of NRC licensed activities.

PERFORMANCE AREA: SAFETY OPERATIONS

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

Program Areas Needing Improvement

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

PERFORMANCE AREA: SAFEGUARDS

This area is comprised of material control and accounting, physical protection, and classified material and information security.

Program Areas Needing Improvement

- No specific areas needing improvement were identified in Safeguards

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.

Enclosure

PERFORMANCE AREA: SPECIAL TOPICS

This area is comprised of safety licensing.

Program Areas Needing Improvement

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