



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. Robert Van Namen
Senior Vice President - Uranium Enrichment
United States Enrichment Corporation
Two Democracy Center
6903 Rockledge Drive
Bethesda, MD 20817

SUBJECT: LICENSEE PERFORMANCE REVIEW (LPR) OF CERTIFIED ACTIVITIES FOR
THE PORTSMOUTH GASEOUS DIFFUSION PLANT, DOCKET NO. 70-7002

Dear Mr. Van Namen:

The NRC Region II and Headquarters staffs completed a review of your performance in conducting NRC certified activities at the Portsmouth Gaseous Diffusion Plant. The review evaluated your performance during the period beginning July 2, 2006, and ending July 5, 2008. Portsmouth'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 certified activities during the next 24 months.

No areas needing improvement were identified in the areas evaluated. Portsmouth continued to conduct its activities 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 scope of your current operations, the NRC will continue to conduct inspections at your facility below the core inspection level for a gaseous diffusion plant, as it is being maintained in "cold shutdown."

We do intend to revise the existing inspection program to perform material control and accounting inspections. This revision is being implemented, not in response to issues related to your performance, but to enhance our existing program in light of planned changes in the scope of your operations including high enriched uranium deposit removal.

We also intend to perform classified material and information security inspections annually instead of every three years. 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 and certificate holders possessing classified information was needed based on the nuclear proliferation risks associated with enrichment technologies.

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 Portsmouth'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. 70-7002
Certificate No. GDP-2

Enclosure: Licensee Performance Review

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

R. Namen

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(cc w/encl: cont'd)

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ADAMS: X Yes ACCESSION NUMBER: _____

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OFFICE	RII:DFFI	RII:DFFI	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	LSilvius	
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

**LICENSEE PERFORMANCE REVIEW FOR PORTSMOUTH
ASSESSMENT PERIOD: JULY 2, 2006 TO JULY 5, 2008**

The following is a summary of the performance of the Portsmouth Gaseous Diffusion Plant in the conduct of NRC certified 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.

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.