



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
245 PEACHTREE CENTER AVENUE NE, SUITE 1200
ATLANTA, GEORGIA 30303-1257**

June 17, 2010

Mr. Dominique Grandemange
Site Manager
AREVA NP, Inc.
Lynchburg Manufacturing Facility
P. O. Box 11646
Lynchburg, VA 24506-1646

**SUBJECT: LICENSEE PERFORMANCE REVIEW FOR AREVA NP – LYNCHBURG,
DOCKET NUMBER 70-1201**

Dear Mr. Grandemange:

The NRC Region II and Headquarters staffs completed a review of Areva NP - Lynchburg (Areva) inspection results and performance in conducting NRC licensed activities. The review covered the period beginning April 26, 2008, and ended April 24, 2010. AREVA's performance was evaluated in the following areas: Safety Operations, Radiological Controls, Facility Support, Safeguards, and Special Topics. This letter and the 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.

AREVA continued to conduct its activities safely and securely during the review period. Our review found that the areas of safety operations, safeguards, radiological controls, facility support, and special topics were adequately implemented and no areas of improvement were identified. Based on your previous performance during this period, the NRC has determined that the core inspection program for a Category III fuel fabrication facility will be implemented for the upcoming performance period, and no additional inspection effort will be required in any of the major areas inspected.


The results of our review will be discussed with you at your corporate facility during a meeting open to the public on July 15, 2010. During the meeting, we expect you to discuss your view of your performance in the same major areas as the NRC evaluated.

The NRC is aware that you may cease principle activities which are licensed by the NRC at the AREVA facility, and will re-evaluate the NRC inspections necessary at your facility when we are provided a detailed plan for that transition.

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 AREVA's performance should be referred to Mr. Daniel Rich, Chief, Fuel Facility Inspection Branch 3, at 404-562-4721.

Sincerely,



Joseph W. Shea, Director
Division of Fuel Facility Inspection

Docket No. 70-1201
License No. SNM-1168

Enclosure: Licensee Performance Review

cc w/encl:
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LICENSEE PERFORMANCE REVIEW FOR AREVA NP LYNCHBURG**ASSESSMENT PERIOD: April 26, 2008 to April 24, 2010**

The following is a summary of the performance of AREVA NP LYNCHBURG's facility in the conduct of NRC-licensed activities.

PERFORMANCE AREA: SAFETY OPERATIONS

This area is comprised of plant operations, nuclear criticality safety (NCS), fire protection and plant modifications.

Program Areas Needing Improvement

- No areas needing improvement were identified in safety operations.

Recommended NRC Effort in Safety Operations

- Maintain the core inspection program.

PERFORMANCE AREA: SAFEGUARDS

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

Program Areas Needing Improvement

- No areas needing improvement were identified in safeguards.

Recommended NRC Effort in Safeguards

- Maintain current inspection effort.

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.

Recommended NRC inspection Effort in Radiological Controls

- Maintain the core inspection effort

Enclosure

PERFORMANCE AREA: FACILITY SUPPORT

This area is comprised of maintenance and surveillance, management organization and controls, training and emergency preparedness.

Program Areas Needing Improvement

- No specific areas needing improvement were identified in Facility Support.

Recommended NRC inspection Effort in Facility Support

- Maintain the core inspection effort

PERFORMANCE AREA: SPECIAL TOPICS

This area is comprised of safety licensing.

Program Areas Needing Improvement

- No specific areas needing improvement were identified in Special Topics – Licensing.