

INSPECTION REPORT

1. LICENSEE OR CERTIFICATE HOLDER/LOCATION INSPECTED:

USEC Inc.
6903 Rockledge Drive
Bethesda, MD 20817

2. NRC/REGIONAL OFFICE:

U.S. Nuclear Regulatory Commission
Region II
245 Peachtree Center Avenue, NE, Suite 1200
Atlanta, GA 30303-1257

REPORT NO:

2010-002

3. DOCKET NUMBER:

70-7003

4. LICENSE OR CERTIFICATE NUMBER:

SNM-7003

5. DATE(S) OF INSPECTION:

6/21-25/2010

LICENSEE OR CERTIFICATE HOLDER:

The inspection was an examination of the activities conducted under your license or certificate as they relate 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 observations 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
- 4. The violation(s), specifically described to you by the inspector as non-cited violations, are not being cited because they were self-identified, non-repetitive, and corrective action was or is 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)

LICENSEE OR CERTIFICATE HOLDER STATEMENT OF CORRECTIVE ACTIONS FOR ITEM 5, ABOVE

I hereby state that, within 30 days, the actions described by me to the inspector will be taken to correct the violation(s) 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 the NRC will be required, unless specifically requested.

Title	Printed Name	Signature	Date
LICENSEE/CERTIFICATE HOLDER REPRESENTATIVE			
NRC INSPECTOR	Paul Startz	/RA/ J. Henson for	07/20/2010

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6. INSPECTOR(S): P. Startz

7. INSPECTION PROCEDURES USED: 88005, 88070

EXECUTIVE SUMMARY

Summary of Plant Status

- The USEC Inc. Lead Cascade is a gas centrifuge test and demonstration facility that is located in existing buildings on the site of the Portsmouth Gaseous Diffusion Plant (GDP) in Piketon, Ohio. The Portsmouth GDP is operated by United States Enrichment Corporation (USEC), who leases the property from the Department of Energy. The area within Portsmouth that houses the Lead Cascade is subleased from USEC to USEC Inc. During the period of the inspection, centrifuge demonstration operations were in progress.
- This routine, announced inspection was to evaluate the adequacy and performance of the licensee's activities in two areas: management organization and controls, and permanent plant modifications. The inspection involved interviews and discussions with plant personnel, reviews of selected records, and observation of work activities.

Management Organization and Controls (IP 88005)

- The inspector evaluated the licensee's compliance with 10 CFR 70.62(a) requiring the licensee to track failures of safety related equipment, defined as items relied upon for safety (IROFS). The licensee had not experienced any IROFS failures in 2009 or 2010. The inspector noted that the licensee maintained a corrective action program and management system that was capable of detecting IROFS failures and would contribute to compliance with license and regulatory requirements. No significant issues were identified.
- The inspector reviewed a sample of management control procedures including ACD2-MP-001 Revision 4, Safety Review Committee; ACD2-RG-001 Revision 7, Change Evaluation; and ACD2-RG-004 Revision 4 Corrective Action Process. The inspector noted the procedures were properly approved and had been reviewed within the specified frequency. No significant issues were identified.
- The inspector reviewed internal audits conducted during the last 12 months. Audit ACP-2010-06 included assessment of the IROFS surveillance program. Findings generated from the audit had been properly entered as condition notifications into the licensee's corrective action program. No significant issues were identified.
- The inspector reviewed samples of the Safety Review Committee meeting minutes for January through June 2010. The inspector noted adequate attendance by committee members and the appropriate discussion of topics. No significant issues were identified.

EXECUTIVE SUMMARY (Continued)

- The inspector evaluated the performance of the corrective action program including initial screening, problem identification, incident investigation, resulting correction actions, and closure. The licensee utilized a computer based program referred to as catsweb to document corrective action program activities. The inspector reviewed samples of the licensee's condition notification entries into the catsweb system that had been elevated to a significant-condition-adverse-to-quality, to ensure that incident investigations were being conducted in accordance with licensee procedures and regulatory requirements. No items of significance were identified.
- The inspector reviewed the licensee's internal audit program to determine if the program is in compliance with licensee procedures and license requirements. The findings from the licensee's audit program were appropriately documented in the corrective action program. No items of significance were identified.
- The inspector reviewed management structure changes since the last inspection. There were two significant management changes including a new security manager and the Lead Project Manager/Interim Director. The inspector interviewed the two individuals and determined that the personnel changes had been implemented in accordance with licensee requirements and license conditions. No items of significance were identified.

Permanent Plant Modifications (IP 88070)

- The inspector noted that most safety related construction and manufacturing activities were suspended approximately one year ago. Activities during the past year involved standardized assembly/disassembly of production equipment, performance testing, and quality assurance improvements. No significant safety related permanent plant modifications occurred over the last year. No significant issues were identified.

Exit Meeting Summary

- The inspection scope and results were summarized on Friday 25, 2010, with members of the licensee staff. No proprietary information was identified.

Key Points of Contact

<u>Name</u>	<u>Title</u>
T. Sensus	Regulatory Services Manager
J. Oppy	Manager of Operations Enrichment
R. Wilcox	Regulatory Compliance Engineer