



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

August 25, 2010

Mr. Robert Van Namen
Senior Vice President, Uranium Enrichment
United States Enrichment Corporation
6903 Rockledge Drive
Bethesda, Maryland 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 the Portsmouth Gaseous Diffusion Plant (PORTS) inspection results and performance in conducting NRC certified activities. The review covered the period beginning July 6, 2008, and ending July 10, 2010. PORTS' performance was evaluated in five major areas: Safety Operations, Safeguards, Radiological Controls, Facility Support, and Special Topics. This letter and the enclosure provide the results of the NRC's review which will be used as a basis for establishing the NRC oversight program for PORTS' conduct of certified activities during the next 24 months.

In the areas evaluated, none were identified as needing improvement. PORTS continued to conduct its activities safely as determined during the review period. Based on the current review, PORTS demonstrated adequate performance in operating the facility safely. We noted that you plan to turnover several facilities (e.g., cascade and autoclave facilities) to the Department of Energy in October of this year that will further limit the scope of operations under our regulatory jurisdiction. Therefore, when turnover is completed, we intend to revise the existing inspection program to decrease the hours expended in the areas of Safety Operations, Radiological Controls, and Facility Support, and material controls and accounting in the Safeguards area due to the reduced level of risk of those limited operations. We intend to maintain the frequency and hours expended for other inspections in the Safeguards area per the existing program.

The results of our review will be discussed with you at your facility during a meeting open to the public on September 23, 2010. 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 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>.

R. Van Namen

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Should you have any questions or comments regarding your performance review, please contact me by telephone at 404-997-4731.

Sincerely,

/RA/ D. Hartland for

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

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

Enclosure: Licensee Performance Review

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Distribution w/encl: (See page 3)

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X PUBLICLY AVAILABLE NON-PUBLICLY AVAILABLE SENSITIVE NON-SENSITIVE

ADAMS: X Yes ACCESSION NUMBER: ML092400346 X SUNSI REVIEW COMPLETE

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|--------------|------------|------------|-----------------|-----------------|-----------------|----------|
| OFFICE | RII:DFFI | RII:DFFI | RII:DRS | NSIR | NMSS | |
| SIGNATURE | DH 8/23/10 | DH 8/23/10 | Via e-mail 8/23 | Via e-mail 8/23 | Via e-mail 8/23 | |
| NAME | Hartland | Henson | MErnestes | BStapleton | MTschiltz | |
| DATE | 8/ /2010 | 8/ /2010 | 8/ /2010 | 8/ /2010 | 8/ /2010 | 8/ /2010 |
| E-MAIL COPY? | YES NO | YES NO | YES NO | YES NO | YES NO | YES NO |

**LICENSEE PERFORMANCE REVIEW FOR PORTSMOUTH
ASSESSMENT PERIOD: JULY 6, 2008 TO JULY 10, 2010**

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, fire safety, and plant operations.

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 for 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.

Enclosure