



March 15, 2011
GDP 11-0003

Mr. John D. Kinneman
Director, Fuel Cycle Safety and Safeguards
Attention: Document Control Desk
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

**Portsmouth Gaseous Diffusion Plant (PORTS)
Docket No. 70-7002, Certificate No. GDP-2
Proposed Actions for PORTS Termination of Operations**

Dear Mr. Kinneman:

The purpose of this letter is to request U.S. Nuclear Regulatory Commission (NRC) review of United States Enrichment Corporation (USEC) proposed actions to de-lease the remaining NRC certified facilities at the PORTS Gaseous Diffusion Plant (GDP) and terminate USEC Government Services (GS) operations at PORTS under the NRC Certificate of Compliance. After termination of operations, USEC would have no further need for the NRC Certificate for the PORTS GDP.

In accordance with 10 CFR 76.66, USEC proposes to send a notification to NRC that USEC is terminating NRC certified operations at PORTS on a specific date and time in conjunction with de-lease of all remaining USEC leased facilities and that the Department of Energy (DOE), through its contractor Fluor – B&W (FBP), will be assuming operation and control of the currently USEC leased, NRC certified facilities and operations. As part of this notification, USEC would provide a status of the leased premises at the time of transition, confirmation that all regulated material will be transferred to DOE possession and a description of how USEC will satisfy its waste and depleted uranium disposition responsibilities as described in the Decommissioning Funding Program (DFP). USEC will be unable to remove all waste from the site in the timeframe desired by DOE for completing the de-lease and transition of facilities. DOE has proposed that they will assume possession of all of the waste under a commercial arrangement for reimbursement by USEC. USEC requests that NRC confirm the acceptability of this approach as fulfilling the waste and depleted uranium disposition responsibilities as described in the DFP.

On September 30, 2010, USEC de-leased all primary uranium enrichment facilities to the DOE for decommissioning. These de-leased facilities are no longer subject to the regulatory jurisdiction of the NRC; instead, DOE possesses these facilities and is responsible for their regulatory oversight. USEC and DOE anticipate that this second de-lease would be performed similar to the first de-lease. It is intended that the transition be

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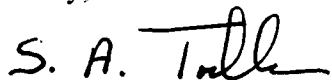
seamless with DOE and FBP use of the existing safety basis and safety management programs for the continuation of existing operations under DOE operational control and regulation without interruption.

The scope of USEC operations to be de-leased and transition to DOE regulation is significantly smaller than the previously transferred facilities and operations. The remaining operations with uranium materials to be transitioned are in the X-705 Decontamination building, the X-710 Laboratory, with support activities in the X-720 and X-700 maintenance facilities and the XT-847 waste management facility. The cylinder yards around the X-340 complex and the X-745G cylinder yard would be de-leased and transitioned. Additionally, the site utility systems would be transitioned to DOE and its contractor.

The security and safeguards measures employed under the Certificate would continue essentially as is after the transition to DOE operation and regulation. The control of the Emergency Plan would be transferred to USEC Inc. (American Centrifuge Plant) and FBP would provide the same services for the site Emergency Plan that are currently provided by USEC GS.

USEC requests that NRC determine if any actions are required by USEC in addition to the notification required by 10 CFR 76.66 for the PORTS termination of operations and associated termination of the Certificate. We will be happy to provide any additional information and support needed by NRC to make this determination. If you have any questions regarding this matter, please contact me at (301) 564-3250.

Sincerely,



Steven A. Toelle
Director, Regulatory Affairs

cc: J. Calle, NRC Region II
T. Hiltz, NRC HQ
T. Liu, NRC HQ