

July 8, 2014

Mr. Steve Toelle, Director  
Regulatory Affairs  
United States Enrichment Corporation  
6903 Rockledge Drive  
Bethesda, MD 20817-1818

SUBJECT: UNITED STATES ENRICHMENT CORPORATION'S REQUEST FOR REVIEW OF PROPOSED ACTIONS FOR TERMINATION OF U.S. NUCLEAR REGULATORY COMMISSION CERTIFIED OPERATIONS AT THE PADUCAH GASEOUS DIFFUSION PLANT (TAC NO. L34292)

Dear Mr. Toelle:

The U.S. Nuclear Regulatory Commission's (NRC's) staff has reviewed your June 17, 2014, letter requesting NRC review of United States Enrichment Corporation's (USEC's) proposed actions to de-lease the NRC-certified facilities at the Paducah Gaseous Diffusion Plant (PGDP) in Paducah, Kentucky, and terminate USEC's operations at the site under the NRC Certificate of Compliance (CoC). Your letter is available via the NRC's Agencywide Documents Access and Management System (ADAMS), Accession Number ML14176A081.

In your letter, you stated that on June 17, 2014, the U.S. Department of Energy (DOE) and USEC signed a Framework Agreement (Agreement), which establishes a framework for the de-lease and return of all leased premises at PGDP to DOE. The Agreement establishes a return date as early as October 1, 2014, subject to conditions in the Agreement, the Turnover Plan, and all turnover requirements in the lease. You further stated that, in the event that the conditions are not fully met on October 1, 2014, the leased premises will be returned to DOE as quickly as possible after October 1, 2014, subject to the satisfaction of all conditions.

In your letter, you also stated that, in accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) Part 76.66, USEC proposes to send a notification to the NRC that USEC is terminating NRC-certified operations at PGDP in conjunction with the de-lease of all remaining USEC-leased facilities and that DOE, through its deactivation contractor, will be assuming operation and control of the current USEC-leased, NRC-certified facilities and operations. In this notification, USEC plans to address the following:

- The regulatory basis that will be in place to ensure a seamless transition of regulatory authority from NRC to DOE such that no gaps in the oversight of PGDP facilities exist. Documentation that DOE agrees to assume regulatory authority of all PGDP facilities when NRC's authority ends will be provided.
- Confirmation of uninterrupted control over source, byproduct and special nuclear materials in full compliance with the NRC-approved Fundamental Nuclear Material Control Plan during transition of regulatory oversight from NRC to DOE.

- Fulfillment of all USEC obligations contained in the NRC Certificate Decommissioning Funding Program for radioactive waste and depleted uranium disposal.
- Confirmation of USEC's adherence to all requirements of the NRC Certificate Physical Security and Classified Matter Security Plans during transition.

The NRC staff evaluated the information provided in your June 17, 2014, letter, and determined that the proposed actions to de-lease the facilities and terminate the CoC, as described in your letter, are appropriate. The NRC staff requests that a copy of the Agreement be provided with your 10 CFR 76.66(b) submittal.

Please note that this letter does not represent an acceptance of a request to terminate the CoC. Upon receipt of your 10 CFR 76.66(b) submittal, the NRC staff will conduct a review to determine whether it is acceptable. The NRC staff will communicate the results of its acceptance review to you once completed. It should also be noted that, as the review of your submittal develops, additional information may be required for the NRC to make its final determination regarding the termination of the CoC.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of NRC's ADAMS. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

If you have any questions regarding this matter, please contact Mr. Osiris Siurano-Perez at (301) 287-9070, or via e-mail to [Osiris.Siurano-Perez@nrc.gov](mailto:Osiris.Siurano-Perez@nrc.gov).

Sincerely,

**/RA/**

Marissa G. Bailey, Director  
Division of Fuel Cycle Safety  
and Safeguards  
Office of Nuclear Material Safety  
and Safeguards

Docket No. 70-7001  
Certificate No. GDP-1

cc: Mr. Randall M. DeVault  
U.S. Department of Energy – Oak Ridge  
P.O. Box 2001  
Oak Ridge, TN 37832

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Sincerely,

**/RA/**

Marissa G. Bailey, Director  
Division of Fuel Cycle Safety  
and Safeguards  
Office of Nuclear Material Safety  
and Safeguards

Docket No. 70-7001  
Certificate No. GDP-1

cc: Mr. Randall M. DeVault  
U.S. Department of Energy – Oak Ridge  
P.O. Box 2001  
Oak Ridge, TN 37832

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