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

August 25, 2015

Steven Toelle
Director, Regulatory Affairs
American Centrifuge Operating, LLC
Two Democracy Center
6903 Rockledge Drive
Bethesda, MD 20817-1818

SUBJECT: AMERICAN CENTRIFUGE OPERATING, LLC, PADUCAH, NUCLEAR
REGULATORY COMMISSION INSPECTION REPORT NUMBER 70-7003/2015-
403

Dear Mr. Toelle:

This report documents the results of the Operational Readiness Review that was conducted at the American Centrifuge Operating site in Paducah, Kentucky on June 9 and August 19, 2015. The intent of the inspections was to determine whether adequate controls were in place to support the storage and processing of classified matter. An exit meeting was conducted on August 19, 2015, where observations from the inspections were discussed with members of your staff.

During the inspections, the Nuclear Regulatory Commission (NRC) staff examined activities conducted under your license as they related to protection of classified information and to confirm compliance with the Commission's rules and regulations, and with the conditions of your license. Areas examined during the inspections are identified in the enclosed report. Within these areas, the inspections consisted of selected examination of procedures and representative records, observations of activities, and interviews with personnel.

Based on the results of the inspections, no violations of NRC requirements were identified.

In accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) 2.390, "Public inspections, exemptions, requests for withholding," 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 (PARS) component of NRC's Agencywide Documents Access and Management System (ADAMS); accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

The enclosure contains Sensitive Unclassified
Non Safeguards Information (Security-Related
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The material enclosed herewith contains Security-Related Information associated with the Classified Information Security safeguards program at the American Centrifuge Operating site in Paducah, Kentucky, and in accordance with 10 CFR 2.390(d)(1), its disclosure to unauthorized individuals could present a security vulnerability. Therefore, the material in the enclosure will not be made available electronically for public inspection in the NRC Public Document Room, or from the NRC's Agencywide Documents Access and Management System (ADAMS); accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Should you have any questions concerning these inspections, please contact us.

Sincerely,

/RA D. Hartland for/

Marvin D. Sykes, Chief
Projects Branch 1
Division of Fuel Facility Inspection

Docket No. 70-7003
License No. SNM-7003

Enclosure:
NRC Inspection Report Number 70-7003/2015-403
~~w/Attachment: Supplementary Information~~

cc: (See page 3)

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S. Toelle

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cc:

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