



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

March 4, 2016

James D. Lewis  
General Manager, American Centrifuge Operations  
American Centrifuge Operating, LLC  
American Centrifuge Lead Cascade Facility and American Centrifuge Plant  
3930 U.S. Route 23 South  
P.O. Box 628  
Mail Stop 7560  
Piketon, OH 45661

**SUBJECT: AMERICAN CENTRIFUGE OPERATING, LLC'S, LEAD CASCADE PROGRAM  
ADJUSTMENT REVIEW (NUCLEAR REGULATORY COMMISSION  
INSPECTION REPORT NUMBER 70-7003/2016-001)**

Dear Mr. Lewis:

The Nuclear Regulatory Commission (NRC) Region II and Headquarters staff completed a program adjustment review of the American Centrifuge Lead Cascade facility's (Lead Cascade's) performance in conducting NRC licensed activities. In accordance with Inspection Manual Chapter 2604, "Licensee Performance Review," the program adjustment review provides an opportunity for adjustments to the inspection program to reflect emergent performance issues that may reveal themselves during the normal 24-month performance assessment period.

The performance of the Lead Cascade was evaluated in the following areas: Safety Operations, Radiological Controls, Facility Support, and Other Areas. This letter provides to you the results of our review, and will be used as a basis for establishing the NRC oversight program for your facility. The details regarding the Safeguards portion of the review are documented in a separate letter marked "Official Use Only" due to the sensitive nature of the information.

Overall, the staff determined that the Lead Cascade has continued to conduct its activities safely and securely, while protecting public health and the environment. Based on our review of activities covering the period January 1 through December 31, 2015, no area needing improvement was identified. The NRC will conduct a modified inspection program for a Gas Centrifuge Facility as described in NRC Inspection Manual Chapter 2600, "Fuel Cycle Facility Operational Safety and Safeguards Inspection Program," for the period of January 1, 2016, to December 31, 2016. Due to limited operations, inspection hours have been maintained in accordance with the Inspection Effort Memorandum dated July 15, 2015 (ML15197A200). Based upon your recent notification to permanently cease operation at the American Centrifuge Lead Cascade Facility and to terminate the Lead Cascade Materials License (SNM-7003) following decontamination and decommissioning activities, the NRC will adjust the inspection program to verify these activities are conducted appropriately.

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

Should you have any questions concerning this matter, please contact Mr. Marvin Sykes, Chief, Projects Branch 1, by telephone at (404) 997-4629.

Sincerely,

**/RA/**

Mark S. Lesser, Director  
Division of Fuel Facility Inspection

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

cc: (See page 3)

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Sincerely,

**/RA/**

Mark S. Lesser, Director  
Division of Fuel Facility Inspection

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

cc: (See page 3)

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ADAMS:  Yes      ACCESSION NUMBER: ML16067A013       SUNSI REVIEW COMPLETE  FORM 665 ATTACHED

OFFICE	RII:DFFI	RII:DFFI	HQ:NMSS				
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DATE	3/3/2016	3/4/2016	3/4/2016	3/ /2016	3/ /2016	3/ /2016	3/ /2016
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO	YES NO

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