



~~OFFICIAL USE ONLY – SECURITY-RELATED INFORMATION~~

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II

245 PEACHTREE CENTER AVENUE NE, SUITE 1200
ATLANTA, GEORGIA 30303-1257

August 8, 2016

Steven Toelle
Director, Regulatory Affairs
American Centrifuge Operating, LLC
Two Democracy Center
6901 Rockledge Drive
Suite 800
Bethesda, MD 20817-1818

SUBJECT: AMERICAN CENTRIFUGE OPERATING, LLC, CENTRUS HEADQUARTERS FACILITY, NUCLEAR REGULATORY COMMISSION INSPECTION REPORT NUMBER 70-7004/2016-402

Dear Mr. Toelle:

This letter refers to the information security inspection conducted on July 14, 2016, at the CENTRUS Headquarters Facility in Bethesda, MD. The purpose of this inspection was to determine whether activities authorized under the license were conducted safely, securely and in accordance with Nuclear Regulatory Commission (NRC) requirements. The enclosed report presents the results of this inspection. These results were discussed with you and members of your staff at an exit meeting held on July 14, 2016.

During the inspection, the 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 inspection are identified in the enclosed report. Within these areas, the inspection consisted of selected examination of procedures and representative records, observations of activities, and interviews with personnel.

Based on the results of this inspection, the NRC has determined that your staff has taken appropriate actions to adequately address the two Severity Level IV violations documented in NRC inspection report number 70-7004/2016-401.

The enclosure contains Sensitive Unclassified Non Safeguards Information (Security-Related Information). Upon separation, this cover letter is DECONTROLLED.

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S. Toelle

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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 material enclosed herewith contains Security-Related Information associated with the Classified Information Security safeguards program at the CENTRUS Headquarters Facility, 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 this report, please contact Leonard Pitts at 404-997-4708, or via e-mail to leonard.pitts@nrc.gov.

Sincerely,

/RA/

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

Docket No. 70-7004
License No. SNM-2011

Enclosure:
NRC Inspection Report Number 70-7004/2016-402
~~w/Attachment: Supplementary Information~~

cc: (See page 3)

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S. Toelle

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

Docket No. 70-7004
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Enclosure:
NRC Inspection Report Number 70-7004/2016-402
~~w/Attachment: Supplementary Information~~

cc: (See page 3)

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cc:

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