

October 31, 2014

Mr. Larry D. Perkins, Acting Manager
Nuclear Energy Oak Ridge Site Office
Department of Energy
P.O. Box 2001
Oak Ridge, TN 37831

SUBJECT: AGREEMENTS BETWEEN THE U.S. NUCLEAR REGULATORY COMMISSION
AND THE U.S. DEPARTMENT OF ENERGY RELATED TO THE GASEOUS
DIFFUSION PLANTS

Dear Mr. Perkins:

This is in response to your letter dated October 10, 2014, regarding the conduct of activities relative to gaseous diffusion operations under the following agreements and memoranda of understanding (MOU) between the U.S. Department of Energy (DOE) and the U.S. Nuclear Regulatory Commission (NRC):

1. "Joint Statement of Understanding Between the Nuclear Regulatory Commission and the Department of Energy on Implementing the Energy Policy Act Provisions on the Regulation of Gaseous Diffusion Uranium Enrichment Plants," dated December 1993;
2. "Agreement Defining Security Responsibilities at the Paducah and Portsmouth Gaseous Diffusion Plants Between the Department of Energy's Office of Safeguards and Security and the Nuclear Regulatory Commission's Division of Security," dated March 1995;
3. "Memorandum of Understanding Between the Department of Energy and the Nuclear Regulatory Commission - Cooperation Regarding the Gaseous Diffusion Plants," dated October 1997; and
4. "Joint Procedure Between the U.S. Department of Energy and the U.S. Nuclear Regulatory Commission - Response to Emergencies in the Leased Areas at the Gaseous Diffusion Plants," dated February 2001.

The NRC staff has reviewed these documents and agrees that with the release of the Paducah Gaseous Diffusion Plant (PGDP) facilities by the United States Enrichment Corporation (USEC) on October 21, 2014, and the termination of USEC's Certificate of Compliance (CoC) for operation of the gaseous diffusion plants (GDPs) to be completed later this year, there will be no further NRC activities relative to the gaseous diffusion process and operations at the GDPs under the above-listed documents.

However, the NRC staff notes that all provisions within these documents relative to the NRC regulatory oversight of USEC's (now Centrus Energy Corp.'s) subsidiary American Centrifuge Operating, LLC (ACO), as the licensee for the American Centrifuge Lead Cascade (Lead Cascade) and the future commercial facility the American Centrifuge Plant (ACP) at the

Portsmouth GDP site in Piketon, Ohio, should remain in effect until the Lead Cascade and the ACP licenses are terminated by the NRC.

We would also like to take this opportunity to inform you that, as a result of the approval and issuance of the 2013 "Report to Congress on the Health, Safety, and Environmental Conditions at the Gaseous Diffusion Plants Located Near Paducah, Kentucky and Portsmouth, Ohio" in January 2014, the Commission directed the staff to provide a final summary report to Congress of NRC's oversight of the PGDP from October 1, 2013, through termination of the PGDP's CoC. Therefore, the NRC staff will be contacting DOE, as required by the Atomic Energy Act, to coordinate the preparation of this final report.

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 Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions regarding this action, please contact me at 301-287-9088, or via e-mail to Brian.Smith@nrc.gov.

Sincerely,

/RA/

Brian W. Smith, Chief
Enrichment and Conversion Branch
Division of Fuel Cycle Safety, Safeguards
and Environmental Review
Office of Nuclear Material Safety
and Safeguards

Docket No. 07007001
Certificate No. GDP-1

cc: J. Craven, DOE
R. DeVault, DOE
M. Heiskell, DOE
K. Walling, DOE
R. Edwards, DOE
B. Gawthorp, DOE
W. Murphie, DOE
R. Knerr, DOE
J. Woodard, DOE

Portsmouth GDP site in Piketon, Ohio, should remain in effect until the Lead Cascade and the ACP licenses are terminated by the NRC.

We would also like to take this opportunity to inform you that, as a result of the approval and issuance of the 2013 "Report to Congress on the Health, Safety, and Environmental Conditions at the Gaseous Diffusion Plants Located Near Paducah, Kentucky and Portsmouth, Ohio" in January 2014, the Commission directed the staff to provide a final summary report to Congress of NRC's oversight of the PGDP from October 1, 2013, through termination of the PGDP's CoC. Therefore, the NRC staff will be contacting DOE, as required by the Atomic Energy Act, to coordinate the preparation of this final report.

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 Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions regarding this action, please contact me at 301-287-9088, or via e-mail to Brian.Smith@nrc.gov.

Sincerely,

/RA/

Brian W. Smith, Chief
Enrichment and Conversion Branch
Division of Fuel Cycle Safety, Safeguards
and Environmental Review
Office of Nuclear Material Safety
and Safeguards

Docket No. 07007001
Certificate No. GDP-1

cc: J. Craven, DOE
R. DeVault, DOE
M. Heiskell, DOE
K. Walling, DOE
R. Edwards, DOE
B. Gawthorp, DOE
W. Murphie, DOE
R. Knerr, DOE
J. Woodard, DOE

DISTRIBUTION: M. Crespo, RII M. Sykes, RII

ADAMS Accession No. ML14300A051

| OFFICE | NMSS/FCSS/ECB | NMSS/FCSS/ECB | NMSS/FCSS/ECB |
|--------|---------------|---------------|---------------|
| NAME | OSiurano | DMiller | BSmith |
| DATE | 10/27/14 | 10/27 /14 | 10/ 31 /14 |

OFFICIAL RECORD COPY