

June 23, 2005

MEMORANDUM TO: James W. Clifford, Acting Chief
Special Projects Branch
Division of Fuel Cycle Safety
and Safeguards

THRU: Brian W. Smith, Chief **/RA/**
Gas Centrifuge Facility Licensing Section
Special Projects Branch, FCSS

FROM: Yawar H. Faraz **/RA/**
Senior Project Manager
Gas Centrifuge Facility Licensing Section
Special Projects Branch, FCSS

SUBJECT: JUNE 17, 2005, MEETING SUMMARY: USEC INC. QUARTERLY
MANAGEMENT MEETING

On June 17, 2005, U.S. Nuclear Regulatory Commission (NRC) staff met with management staff from USEC Inc. to discuss project status and management issues related to USEC Inc.'s application for a gas centrifuge uranium enrichment facility proposed to be constructed and operated in Piketon, Ohio. I am attaching the meeting summary for your use. This summary contains no proprietary or classified information.

Docket: 70-7004

Attachment 1: NRC/USEC Inc. Senior Management Meeting Summary
Attachment 2: Attendee list
Attachment 3: Meeting agenda

cc:

William Szymanski/DOE	Michael Marriotte/NIRS	Dan Minter/SODI
Carol O'Claire/Ohio EMA	James Curtiss/W&S	Randall DeVault/DOE
Rod Krich/LES	Peter Miner/USEC Inc.	Rocky Brown/Mayor of Beaver
Gary Hager/SPFPA/USEC	Billy Spencer/Mayor of Piketon	Teddy West/Scioto Twp. Trustee
Harry Rioer/Pike Co. Comm	Marvin Jones/Chillicothe CoC	Donald Silverman/Morgan Lewis
Robert Huff/Portsmouth CoC	Roger Suppes/Ohio DoH	Patricia Marida/Ohio Sierra Club
Mary Glasgow/Cong.Portman	Ted Wheeler/Pike County Aud.	Larry Scaggs/Seal Twp.Trustee
Vina Colley/PRESS	Jim Brushart/Pike Co. Comm.	Lindsay Lovejoy/NIRS
Kara Willis/Gov. Taft's Reg. 7	Geoffrey Sea	

NRC/USEC Inc. Senior Management Meeting Summary

Date: June 17, 2005

Place: U.S. Nuclear Regulatory Commission (NRC) Offices; Rockville, Maryland

Attendees: See Attachment 1

Purpose:

The purpose of this meeting was to discuss project status and management issues related to the NRC's review of USEC Inc.'s (USEC's) application for a gas centrifuge uranium enrichment facility, the American Centrifuge Plant (ACP), proposed to be constructed and operated in Piketon, Ohio. The meeting agenda is in Attachment 2.

Discussion:

After introductions, Mr. Jack Strosnider, Director of the Office of Nuclear Material Safety and Safeguards, opened the third USEC quarterly management meeting by stating that the review of the application is going well. He said that, due to the public unavailability of USEC's application and untimely response to environmental RAI's, there was a minor delay in the review process and subsequently NRC anticipates issuing the draft Environmental Impact Statement (EIS) in Fall 2005 and the final EIS and Safety Evaluation Report (SER) in early 2006. He emphasized the need for timely, thorough, and quality responses to the NRC to facilitate an effective and efficient review.

In addition, Mr. Strosnider highlighted some issues related to the process. These involved technical issues that still need to be resolved, the announcement that NRC will be releasing for public disclosure documents previously marked and controlled as sensitive information under the NRC's Sensitive Information Screening Project (SISP), and stated that an inspection was conducted in March of the Quality Assurance Program Description (QAPD) for the Lead Cascade.

USEC was invited to comment. Mr. Phillip Sewell, Senior Vice President, stated that it was important for USEC to conduct open and clear communications with the NRC at all times. He indicated that USEC was happy with the progression of the proceedings and acknowledged that technical issues needed to be resolved in a timely manner. He also stated that the telecommunications between USEC and NRC have been very valuable to USEC in understanding and resolving issues.

Mr. Brian Smith then discussed the schedule, licensing status, and current issues in the areas of safety and safeguards. He stated that the NRC's safety and safeguards reviews are on schedule and reiterated that the staff intends to issue the SER in February 2006, or sooner. He noted that quality responses to RAIs will help to meet this schedule.

Mr. Smith made the following remarks regarding the licensing status:

- S** The license application review is proceeding well; USEC's RAI response quality is improving;
- S** Certain USEC RAI responses, especially concerning criticality safety, received in March 2005, were less than adequate. The NRC discussed these in a meeting on April 25, 2005, and in a series of conference calls in March through June 2005;
- S** USEC has submitted 3 revisions to its license application and Revision 4 is expected to be received soon; and
- S** The Staff will continue to work with USEC to close out the remaining issues.

Mr. Smith proceeded to discuss two current licensing issues:

- S** As was recently done in the Louisiana Energy Services (LES) licensing proceeding, information concerning the ACP application that was previously redacted as a result of the NRC's SISP review will be restored; and
- S** Comments from the Department of Energy (DOE) on the draft Memorandum of Understanding (MOU) for the ACP are anticipated to be received by the end of June 2005. Subsequent to that, the NRC anticipates providing the draft MOU to USEC in July 2005 for any comments.

Ms. Jennifer Davis discussed the schedule, status, and current issues pertaining to the NRC's review of the Environmental Report (ER) for the ACP. She indicated that the staff had initially been working to an 18-month technical review schedule for the Environmental Impact Statement (EIS) in order to support the Commission's goal of a decision within 30 months. However, approximately six weeks were lost due to the temporary public unavailability of USEC's application and ER for the ACP. This resulted in delays to both the public scoping meeting and issuance of the environmental RAIs. She added that additional delays occurred due to delays in USEC's responses to many of these RAIs. She indicated that the NRC was reviewing the last set of responses from USEC that were submitted a few days ago. As a result of these delays, Ms. Davis stated that the draft EIS would be issued in September 2005 and the final EIS in April 2006. She also noted that it is unclear at this point whether the 2-month delay to the original EIS schedule will affect the 30-month schedule identified in the Commission Order CLI-04-30 dated October 7, 2004.

The meeting was then opened for questions/comments from members of the public. Mr. Michael Knapik of McGraw Hill asked the NRC about the basis of its decision on releasing ACP-related documents that were previously withheld from the public as a result of the SISP review. Mr. Strosnider explained that the NRC's decision was based on its attempt to achieving a better balance in such an important adjudicatory proceeding between public openness and that of releasing information that may be beneficial to a terrorist. Mr. Knapik also inquired about the discrepancy between USEC's and LES' proposed costs for dispositioning depleted uranium tails by the DOE. Mr. Yawar Faraz informed him that this issue is still open and the discussion is ongoing.

Mr. Strosnider concluded the meeting by reiterating the importance of the NRC's review to ensure protection of the environment and the public, and the need for continued good communications and interactions between USEC and NRC to facilitate an effective and efficient review.

The meeting was then adjourned.

Action Items

No action items.

USEC Inc. Quarterly Management Meeting Agenda
June 17, 2005

Purpose/Introductions

Project Status

Management Issues

Questions and Answers

List of attendees: NRC/USEC Inc. quarterly senior management meeting to discuss USEC Inc.'s American Centrifuge Plant license application
 June 17, 2005, 10:00 AM, T-9A1

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