

March 4, 2005

MEMORANDUM TO: Joseph G. Giitter, 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: MARCH 1, 2005, MEETING SUMMARY: USEC INC. QUARTERLY  
MANAGEMENT MEETING

On March 1, 2005, U.S. Nuclear Regulatory Commission (NRC) staff met with management staff from USEC Inc. to discuss project status and management issues related to its application for a gas centrifuge uranium enrichment facility proposed to be constructed in Piketon, Ohio. I am attaching the meeting summary for your use. This summary contains no proprietary or classified information.

Docket: 70-7004

Attachment: NRC/USEC Inc. Senior Management Meeting Summary

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
Garry 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	Ewan Todd	Elisa Young
Geoffrey Sea		

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BThomas, SFPO	BMoran, NSIR				

USEC Website: Letter and Attachment 1 ONLY

**ML050620348 (Package) ML050620351 (Memo) ML050620525 (Attachment)**

<b>OFC</b>	MOFLS		GCFLS		GCFLS		GCFLS	
<b>NAME</b>	JKlein		YFaraz		LMarshall		BSmith	
<b>DATE</b>	03/3/05		03/3/05		03/3/05		03/4/05	

## NRC/USEC Inc. Senior Management Meeting Summary

Date: March 1, 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 second USEC quarterly management meeting by stating that the review of the application is going well. He said that NRC anticipates meeting its review schedule by issuing the draft Environmental Impact Statement (EIS) this July and the final EIS and Safety Evaluation Report (SER) by next February. He emphasized that the primary focus of the review is ensuring safety, and that continued good communications and interactions between USEC and NRC will facilitate an effective and efficient review.

In addition, Mr. Strosnider noted that NRC staff redacted and made public once again USEC's ACP application in late December, held an EIS public scoping meeting in Piketon in mid-January, and issued the safety and safeguards request for additional information (RAI) in early February and the environmental RAI last week.

USEC was invited to comment. Mr. Ron Green, 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 intends to submit its RAI responses within 30 days and that the responses would be clear and of high quality. He stated that USEC was pleased with the scoping meeting on January 18, 2005, that NRC managed it well, and that it was a balanced meeting.

Mr. Brian Smith then discussed the schedule, licensing status, and current issues. First, he stated that the 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 the RAI will help facilitate this.

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

- The license application review is proceeding well; USEC has been very helpful and responsive in addressing NRC staff requests.
- Staff conducted additional security reviews of publically available documents in December 2005.

- Staff publically released a redacted application and environmental report in late December 2005.
- Staff issued its safety and safeguards RAI on February 7, 2005.
- Staff conducted conference calls in November, December, and January to discuss the potential RAI, and staff is prepared to discuss any portion of the RAI, including the portion on USEC's validation report for criticality computer codes, with USEC if further clarification is needed prior to submitting a response.

Mr. Smith proceeded to discuss current licensing issues:

- Staff intends to issue a classified safeguards RAI this week.
- DOE is anticipated to provide input to the NRC concerning the draft Memorandum of Understanding (MOU) for the ACP by May 2005.
- USEC should confirm that new activities at the Portsmouth Gaseous Diffusion Plant, such as curtailment of cold standby, do not adversely affect the Lead Cascade and ACP.
- NRC is considering performing a QA inspection for the Lead Cascade in late March 2005.

Ms. Jennifer Davis discussed the schedule, status, and current issues pertaining to the NRC's environmental review. She indicated that, consistent with the Commission Order, the staff is working to the 18-month technical review schedule. Approximately two weeks were lost due to the temporary unavailability of USEC's application and environmental report and subsequent rescheduling of the scoping meeting. NRC intends to issue the draft EIS by mid-July 2005 and the final EIS by late February 2006.

Ms. Davis stated that the environmental review is proceeding well. A site visit and scoping meeting was completed on January 18, 2005. The scoping comment period closed on February 1, 2005, and the scoping summary report is to be issued in April 2005. A conference call to discuss the environmental RAI was held on February 10, 2005, and the environmental RAI was issued on February 23, 2005.

Current issues for the environmental review which are included in the RAI include:

- (1) Manufacturing impacts
- (2) Transportation information
- (3) Waste management issues and volume clarifications
- (4) Socioeconomic information
- (5) Cost/benefit information

Mr. Brian Smith addressed hearing issues. The extended date for filing petitions to intervene for six individuals was February 28, 2005. It was noted that two petitions have been received, but there may be more in the mail.

Mr. Green then discussed the progress being made for the Lead Cascade including clean up of the Gaseous Centrifuge Enrichment Plant and rebuilding of services to support the new centrifuges and invited NRC management to visit the site to see the progress that has been made with the Lead Cascade.

Mr. Robert Pierson indicated that it appears that the project was progressing well. He added that he agrees that good interactions and communications must continue between USEC and the NRC.

The meeting was then open for questions/comments from members of the public. Mr. Michael Knapik asked which groups submitted petitions thus far. He was informed that petitions to intervene were received from Mr. Geoffrey Sea and Portsmouth/Piketon Residents for Environmental Safety and Security (PRESS). Mr. Knapik then inquired about the schedule for the Lead Cascade, and Mr. Yawar Faraz informed him that USEC had last informed the NRC that it intends to begin operations of the Lead Cascade in the second half of 2005. Mr. Faraz also informed him that it is a condition of the Lead Cascade special nuclear material license for USEC to give the NRC a 60-day notice prior to receiving any UF<sub>6</sub> in the Lead Cascade facility.

The meeting was then adjourned.

#### Action Items

No action items.

#### Attachments

1. Attendee list
2. Meeting agenda

Attachment 2: USEC Inc. Quarterly Management Meeting Agenda  
March 1, 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  
 March 1, 2005, 2:00 PM, O-4B6

NAME	AFFILIATION	E-MAIL ADDRESS	PHONE #
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