



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
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ATLANTA, GEORGIA 30303-8931**

September 22, 2004

Mr. J. Morris Brown
Vice President - Operations
United States Enrichment Corporation
Two Democracy Center
6903 Rockledge Drive
Bethesda, MD 20817

**SUBJECT: LICENSEE PERFORMANCE REVIEW (LPR) OF CERTIFIED ACTIVITIES
FOR THE PORTSMOUTH GASEOUS DIFFUSION PLANT, DOCKET
NUMBER 70-7002**

Dear Mr. Brown:

Managers and staff in our Region II office in Atlanta, Georgia, and the Office of Nuclear Material Safety and Safeguards (ONMSS) in Rockville, Maryland, completed a review of your performance in conducting NRC certified activities at the Portsmouth Gaseous Diffusion Plant. The review evaluated your performance during the period beginning October 1, 2002, and ending August 7, 2004. Portsmouth's performance was evaluated in four major areas: Safety Operations, Radiological Controls, Facility Support, and Special Topics. This letter and the enclosure provide to you the results of our review, and will be used as a basis for establishing the NRC oversight program for your conduct of certified activities during the next 12 months.

Portsmouth continued to conduct its activities safely as determined during the review period. However, implementation of radiation protection program requirements was identified as an area needing improvement. In addition, although improvement was noted in most areas identified during the previous LPR period, continued focus with adherence to procedures regarding the conduct of operations and maintenance activities, as well as implementation of your corrective action program, is warranted.

The results of our review will be discussed with you at your facility during a meeting open to the public on November 9, 2004. Areas needing improvement are summarized in the enclosure to this letter. During that meeting, we expect you to discuss your view of your performance in the same major areas as the NRC evaluated. We ask you to specifically discuss why actions to improve your radioactive contamination control practices, an area identified during the previous LPR period, have not been fully effective and present how you will improve those practices in the future.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Questions and comments about NRC's review of Portsmouth's performance should be referred to Mr. Jay Henson, who can be reached by telephone at 404-562-4731.

Sincerely,

/RA/

Douglas M. Collins, Director
Division of Fuel Facility Inspection

Docket No. 70-7002
Certificate No. GDP-2

Enclosure: Licensee Performance Review
Summary Outline

cc w/encl: P. D. Musser, Portsmouth General Manager
T. A. Brooks, Manager, Nuclear Regulatory Affairs
R. Starkey, Paducah General Manager
S. A. Toelle, Director, Nuclear Regulatory Affairs, USEC
Paducah Resident Inspector Office
R. M. DeVault, Regulatory Oversight Manager, DOE
R. J. Vranicar, Portsmouth Contracting Officer's Representative, DOE
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DATE	09/02/04	09/02/04	/ /04	0/ /04	0/ /04
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	YES NO

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**LICENSEE PERFORMANCE REVIEW FOR PORTSMOUTH
PERFORMANCE PERIOD: OCTOBER 1, 2002 TO AUGUST 7, 2004
SUMMARY OUTLINE**

The following is a summary of the performance of the Portsmouth Gaseous Diffusion Plant in the conduct of NRC certified activities.

PERFORMANCE AREA: SAFETY OPERATIONS

This area comprises chemical safety, criticality safety, plant operations, and fire safety.

Program Areas Needing Improvement

- No specific areas needing improvement were identified for Safety Operations.

PERFORMANCE AREA: RADIOLOGICAL CONTROLS

This area comprises radiation protection, environmental protection, waste management and transportation.

Program Areas Needing Improvement

- Implementation of radiation protection program requirements:
 - Failure to store a technetium trap in Building X-344 in accordance with 10 CFR Part 20 requirements for high radiation area controls. (IR 2003-001, SL IV violation)
 - Failure to conduct an adequate survey to determine if monitoring of extremity doses was required, and failure to record surveys as required by 10 CFR Part 20. (IR 2003-003, SL IV violation)
 - Failure to follow procedures governing radiological operations and respiratory protection. (IR 2004-001, SL IV violation)

PERFORMANCE AREA: FACILITY SUPPORT

This area comprises maintenance/surveillance, training, emergency preparedness, and management organization and controls.

Enclosure

Program Areas Needing Improvement

- No specific areas needing improvement were identified for Facility Support.

PERFORMANCE AREA: SPECIAL TOPICS

This area comprises safety licensing.

Program Areas Needing Improvement

- No specific areas needing improvement were identified for Special Topics.