

October 8, 1996

Mr. Joe W. Parks
Assistant Manager
for Enrichment Facilities
U.S. Department of Energy, EF20
P.O. Box 2001
Oak Ridge, TN 37831

Dear Mr. Parks:

I am responding to your September 16, 1996, letter to Dr. Paperiello regarding the U. S. Enrichment Corporation (USEC) gaseous diffusion plants. You requested guidance from the Nuclear Regulatory Commission on the amount of support that the NRC expects from the Department of Energy from now to the March 3, 1997, transition date and beyond. Your letter specifically mentions future activities associated with the Annual Report to Congress, the Compliance Plans, recertification of the GDPs, and any general DOE support.

As previously agreed, our staffs are currently working on a Memorandum of Understanding (MOU) that will outline DOE/NRC interactions during the transition period and after NRC assumes jurisdiction, particularly with respect to coordination on the Compliance Plans. It is our goal to finalize the MOU this fall.

We anticipate requesting DOE to provide information for a portion of the initial Annual Report to Congress, because much of the period to be covered by the report will be while the plants are still under DOE regulatory authority. Future reports should involve only minimal DOE involvement.

With respect to future recertifications, we note that the Energy Policy Act of 1992 requires a DOE-prepared compliance plan as a condition of certification, if USEC is not in full compliance with NRC requirements. Therefore, we would like to discuss further with you the appropriate DOE role with respect to any future compliance plans needed for recertification.

With respect to general DOE support, we request that the DOE technical staff remain available to provide support and comments to NRC on safety issues which may arise in connection with NRC regulatory oversight; for example, implementation of the seismic safety upgrades at the Paducah plant.

If you wish to discuss any of these items further, please contact me at (301) 415-7212.

Sincerely,

[Original signed by E. W. Brach]

Elizabeth Q. Ten Eyck, Director
Division of Fuel Cycle Safety
and Safeguards, NMSS

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INcoming LTR

September 16, 1996

Dr. Carl J. Paperiello
United States Nuclear
Regulatory Commission
2 White Flint North
MS T8A33
Washington, DC 20555

Dear Dr. Paperiello:

The August 28, 1996, briefing by your staff to the Commissioners was a monumental day in the transition of the regulatory oversight responsibility of the Gaseous Diffusion Plants (GDP) from the Department of Energy (DOE) to the Nuclear Regulatory Commission (NRC). The past three years have been a substantial challenge to both organizations, and I would like to take this opportunity to personally thank you and your staff for a most diligent and successful effort. The cooperation and dedication of your staff have been instrumental in this effort.

DOE looks forward to the transition date of March 3, 1997. However, this date for all practical purposes will complete DOE's regulatory responsibilities for the leased portions of the GDPs (except for Highly Enriched Uranium Refeed) and bring to a close DOE's financial obligations for the transition of the facilities. As such, I am writing this letter to request guidance from you and your staff on the DOE support that NRC expects from now to the transition date and beyond, recognizing that DOE will regulate the GDPs until March 3, 1997. The information resulting from this request will be essential input to future DOE budgetary considerations.

Of particular interest is the support needed for future activities associated with the Annual Report to Congress, the Compliance Plans, recertification of the GDPs, and any general DOE support. With regard to the Annual Report to Congress, we view DOE's participation as a review function of the report prepared by NRC. For the GDP Compliance Plans, Revision 4 (to be issued in approximately the next six weeks) will complete DOE's financial obligations for this effort. Also, I have been advised by DOE's General Counsel that DOE's financial responsibility for any newly identified safety upgrades or applications for certification will cease once NRC assumes oversight responsibility for the GDPs. As each of us continue to face reductions in annual budgets, I'm sure that you can appreciate my need for this information.

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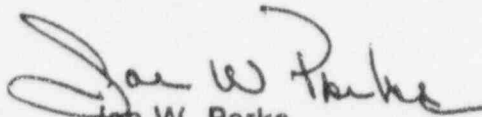
Dr. Carl J. Paperiello

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September 16, 1996

Again, thank you for your support in the transition of the GDPs, and I look forward to our interactions in the future. If there are any questions regarding my request, please contact me at (423) 576-0892.

Sincerely,


Joe W. Parks
Assistant Manager for
Enrichment Facilities

cc:
R. E. Dierlam, NE-40, GTN
J. Dale Jackson, EF-20/TRPK, ORO