

December 16, 1996

Mr. J. Dale Jackson  
Regulatory Oversight Manager  
United States Department of Energy  
P.O. Box 2001  
Oak Ridge, TN 37831

SUBJECT: PADUCAH OBSERVATION REPORT 70-7001/96006(DNMS)

Dear Mr. Jackson:

Enclosed for your information and use is a cover letter addressed to Mr. J. H. Miller, USEC, and a report of routine safety and safeguard observations conducted during the period October 1 through November 18, 1996, of United States Enrichment Corporation (USEC) activities at the Paducah Gaseous Diffusion Plant. The report documents NRC observations made during the period as a part of our mutual efforts to transition the regulatory oversight responsibility for these facilities from the Department of Energy to the Nuclear Regulatory Commission.

The Resident Inspectors have discussed these observations with your Site Safety Representatives and USEC plant management throughout the observation period and at an exit meeting held at the conclusion of the period. We are aware that you are tracking many of these issues as a part of your present regulatory responsibility and that you have communicated these and other issues to USEC through your recent monthly inspection reports.

We intend to formally transmit this report to the USEC within the next week.

We will gladly discuss any questions you have concerning these observations.

Sincerely,

Original Signed by

Cynthia D. Pederson, Director  
Division of Nuclear Materials Safety

Docket No. 70-7001

Enclosure: Observation Report  
No. 70-7001/96006(DNMS)

See Attached Distribution

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J. Jackson

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cc w/o encl: J. H. Miller, USEC  
S. A. Polston, Paducah General Manager  
D. I. Allen, Portsmouth General Manager

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