

September 24, 1996

DCP

IE07

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

SUBJECT: PADUCAH OBSERVATION REPORT 70-7001/96004 (DNMS)

Dear Mr. Jackson:

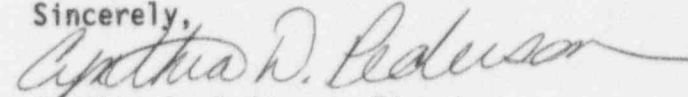
Enclosed for your information and use is a cover letter addressed to Mr. J. H. Miller, USEC, and a report of routine safety and safeguard observations conducted during the period from June 26 through August 19, 1996, of United States Enrichment Corporation (USEC) activities at the Paducah Gaseous Diffusion Plant. The report documents NRC observations 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 results of our observations were discussed with your Site Safety Representatives and the USEC plant management throughout the observation period and during an exit meeting 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,


Cynthia D. Pederson, Director
Division of Nuclear Materials Safety

Docket No. 70-7001

Enclosure: Observation Report
No. 70-7001/96004 (DNMS)

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Mr. J. Dale Jackson

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S. A. Polston, Paducah General Manager
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