

POLICY ISSUE **(Information)**

October 24, 1996

SECY-96-225

FOR: The Commissioners
FROM: James M. Taylor
Executive Director for Operations
SUBJECT: CERTIFICATION OF GASEOUS DIFFUSION PLANTS

PURPOSE:

To inform the Commission of the staff's actions in response to the staff requirements memorandum (SRM), dated September 13, 1996, on certification of the U.S. Enrichment Corporation's (USEC's) two gaseous diffusion plants (GDPs) in Paducah, Kentucky, and Portsmouth, Ohio.

BACKGROUND:

Nuclear Regulatory Commission certification of the USEC plants is required by the Energy Policy Act of 1992 and the USEC Privatization Act of 1996. In SECY-96-180, dated August 13, 1996, the staff informed the Commission that the staff was ready to proceed with certification. This paper responds to the SRM (Attachment 1) and summarizes the actions that the staff has taken to implement initial certification and to address the DOE materials and material contamination.

DISCUSSION:

1. Certification Status

The Director's Decision was issued on September 16, 1996. Congress was immediately notified and a press release was issued. The Federal Register notice regarding certification was published on September 19, 1996. The

CONTACT: Merri Horn, NMSS/FCSS
415-8126

SECY NOTE: TO BE MADE PUBLICLY AVAILABLE IN 5 WORKING DAYS FROM THE DATE OF THIS PAPER.

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Federal Register notice provided for a 15-day period for certain interested parties to petition for Commission review of the Director's Decision. The 15-day period ended on October 4, 1996. By letter dated September 19, 1996, a copy of the Federal Register notice was sent to interested parties. Copies of the staff's compliance evaluation reports, the proposed certificates, and the Federal Register notice were placed in the Commission's Public Document Room and the Local Public Document Rooms. Four petitions requesting review of the Director's Decision have been received. Therefore, the staff is delaying further action on certification until these petitions are addressed by the Commission. A separate paper will be provided to the Commission addressing these petitions.

2. DOE-Owned Material

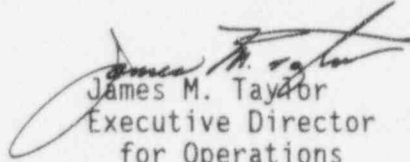
Following receipt of the SRM, the staff requested USEC and DOE to address the issue of the DOE-owned material located in USEC space (see Attachments 2 and 3). The staff specifically requested USEC and DOE to complete required actions ahead of schedule if feasible. The USEC and DOE responses are contained in Attachments 4 and 5. The Compliance Plan addresses this issue, and specifies completion dates previously approved by the staff. USEC and DOE have confirmed that their efforts are on schedule and that the material will be returned to DOE by the end of 1996. However, they did not indicate that any activities would be completed ahead of schedule. The staff is satisfied that this approach is acceptable and consistent with the Compliance Plan. The staff will verify that the required actions are complete, prior to NRC assuming jurisdiction.

3. Material Contamination

USEC also addressed the issue of material contamination in Attachment 4. The GDPs receive uranium from several sources. The material is used as feed or blendstock, or is shipped without further processing. Most of the uranium to be fed to the enrichment cascade meets the requirements of American Society of Testing and Materials (ASTM) Standard C996, "Standard Specification for Uranium Hexafluoride Enriched to Less Than 5% ²³⁵U," or ASTM Standard C787, "Standard Specification for Uranium Hexafluoride for Enrichment." Because of contamination that exists in the cascades from past operations, some of the stored material and the material shipped from Paducah to Portsmouth for further enrichment does not meet the ASTM standard, primarily the technetium limits. Process adjustments are made, as needed, so that the final product meets the ASTM standard. Occasionally, a customer may agree to accept material that does not meet the standard. The uranium hexafluoride is sampled on a statistical basis in accordance with the Fundamental Nuclear Material Control Plans. The Radiation Protection Program ensures that radioactive materials do not cause excessive radiation exposures or adversely affect health and safety. Neither DOE nor USEC has reported any safety problems due to contamination of the feed material. Radiation exposure records over many years show that occupational exposure is low. Therefore, the staff is satisfied that radioactive contamination in uranium at the plants does not pose a safety concern.

COORDINATION:

The Office of the General Counsel has reviewed this paper and has no legal objection.



James M. Taylor
Executive Director
for Operations

Attachments:

1. SRM, SECY-96-180, dated September 13, 1996
2. Letter from NRC to USEC
dated September 26, 1996
3. Letter from NRC to DOE
dated September 26, 1996
4. USEC letter dated October 4, 1996
5. DOE letter dated October 4, 1996

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OFFICE OF THE
SECRETARY

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555

September 13, 1996

Action: Paperiello, NMS

Cys: Taylor
Milhoan
Thompson
Blaha
Sawyer, NMSS

MEMORANDUM TO: James M. Taylor
Executive Director for Operations

FROM: John C. Hoyte, Secretary

SUBJECT: STAFF REQUIREMENTS - SECY-96-180 -
CERTIFICATION OF GASEOUS DIFFUSION PLANTS

The Commission has approved the staff proceeding with issuance of the Federal Register notice regarding certification of the U.S. Enrichment Corporation's (USEC) gaseous diffusion plants (GDPs), and proceeding with certification if no petition is received by the end of the designated 15-day period. The Federal Register notice should be revised to reflect the changes noted in Mr. Taylor's August 21, 1996, memorandum to the Commission concerning the date for jurisdiction transfer and the revised steps for issuing certification.

(EDG) (NMSS)

(SECY Suspense: 10/18/96) 9600042

During the transition period, before NRC assumes jurisdiction, the staff should seek further action by USEC and/or the U.S. Department of Energy (DOE) to reduce DOE-owned materials, equipment, and wastes in USEC-space. The staff should encourage an aggressive schedule for consolidation of the DOE-owned material and its removal from USEC leased space. The staff should also determine if material contamination is present to the extent that a potential safety concern could be created during use or processing.

(EDG) (NMSS)

(SECY Suspense: 10/18/96) 9600042

The staff should revise the letters to Congress as follows:

1. NRC's initial annual report to Congress should be issued in one year (rather than six months). A full year will allow NRC to gain more experience in regulating the GDPs and to review the upgraded safety analysis report due out in February 1997.

SECY NOTE: THIS SRM, SECY-96-180, AND THE VOTE SHEETS OF ALL COMMISSIONERS WILL BE MADE PUBLICLY AVAILABLE 5 WORKING DAYS FROM THE DATE OF THIS SRM.

Attachment 1

2. The Congressional letters should be prepared as Commission correspondence.

~~(EDG)~~ (NMSS)

(SECY Suspense: 10/18/96)

(Letters for Chairman's signature sent to SECY 9/13/96.)

cc: Chairman Jackson
Commissioner Rogers
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
OGC
OCA
OIG
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)

September 26, 1996

Mr. Robert L. Woolley, Manager
Nuclear Regulatory Assurance and Policy
U. S. Enrichment Corporation
2 Democracy Center
6903 Rockledge Drive
Bethesda, MD 20817

Dear Mr. Woolley:

As you know, the Nuclear Regulatory Commission staff and the U.S. Enrichment Corporation (USEC) briefed the Commission on August 28, 1996, on certification of the USEC gaseous diffusion plants. Following that meeting, the Commission directed the staff to: (1) seek further action by USEC and the Department of Energy (DOE) to reduce DOE-owned materials, equipment, and wastes in USEC space, and to encourage an aggressive schedule for consolidation of the DOE-owned material and its removal from USEC leased space, and (2) to determine if material contamination is present to the extent that a potential safety concern could be created during use or processing. A copy of the Staff Requirements Memorandum (SRM) is enclosed for your information.

The Compliance Plan addresses the issue of DOE-owned material in USEC leased space. The Plan requires USEC to demarcate the location and boundaries of the DOE material storage areas, and return the areas to DOE (as unleased areas) by December 31, 1996. DOE will be responsible for oversight and assuring safety for these unleased storage areas. We request that USEC and DOE confirm the schedule for completing these Compliance Plan requirements. Also, in view of the Commission's directive, we encourage USEC and DOE to complete these activities ahead of schedule if feasible.

In addition, we request that you provide a description of your programs for evaluating radioactive contaminants in feed material at both sites, and assuring that contaminants are controlled so that they do not cause a safety problem during use or processing.

In order for us to respond promptly to the Commission, we request that you reply by October 4, 1996. Questions may be directed to me or John Hickey at 301-415-7192.

Sincerely,

Original Signed By
Elizabeth Q. Ten Eyck, Director
Division of Fuel Cycle Safety
and Safeguards

Enclosure: SRM dated 9/13/96
Docket Nos. 70-7001 & 70-7002

Attachment 2



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

September 26, 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:

As you know, the Nuclear Regulatory Commission staff and the U.S. Enrichment Corporation (USEC) briefed the Commission on August 28, 1996, on certification of the USEC gaseous diffusion plants. Following that meeting, the Commission directed the staff to: (1) seek further action by USEC and the Department of Energy (DOE) to reduce DOE-owned materials, equipment, and wastes in USEC space, and to encourage an aggressive schedule for consolidation of the DOE-owned material and its removal from USEC leased space, and (2) to determine if material contamination is present to the extent that a potential safety concern could be created during use or processing. A copy of the Staff Requirements Memorandum (SRM) is enclosed for your information.

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In order for us to respond promptly to the Commission, we request that you reply by October 4, 1996. Questions may be directed to me or John Hickey at 301-415-7192.

Sincerely,

A handwritten signature in cursive script, reading "Elizabeth Q. Ten Eyck", is written over the typed name.

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

Enclosure: SRM dated 9/13/96

cc: Mr. Robert Woolley, USEC

Docket Nos. 70-7001 & 70-7002



United States
Enrichment Corporation

United States
Enrichment Corporation

2 Democracy Center
6903 Rockledge Drive
Bethesda, MD 20817

Tel (301) 564-3200
Fax (301) 564-3201

October 4, 1996

Ms. Elizabeth Q. Ten Eyck
Director
Division of Fuel Cycle Safety
and Safeguards, NMSS
United States Nuclear Regulatory Commission
Washington, D.C. 20555-0001

SERIAL: GDP 96-0180

**Paducah Gaseous Diffusion Plant (PGDP)
Portsmouth Gaseous Diffusion Plant (PORTS)
Docket Nos. 70-7001 & 70-7002
Response to NRC Request for Information**

Dear Ms. Ten Eyck:

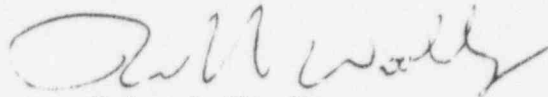
Your letter dated September 26, 1996, requested USEC to provide the following information:

- Confirmation of the schedule for completing the Compliance Plan requirements regarding DOE-owned materials in USEC leased space.
- A description of our programs for evaluating radioactive contaminants in feed material at both sites and assuring that contaminants are controlled so that they do not cause a safety problem during use or processing.

Ms. Elizabeth Q. Ten Eyck
October 4, 1996
GDP 96-0180 Page 2

Enclosures 1 and 2 to this letter provide our responses to the above requested information. If you have any questions or require additional information, please contact me at (301) 564-3413 or Russ Wells at (301) 564-3245. There are no new commitments contained in this submittal.

Sincerely,

A handwritten signature in dark ink, appearing to read "R. L. Woolley", written in a cursive style.

Robert L. Woolley
Nuclear Regulatory Assurance and Policy Manager

cc: cc:

NRC Region III Office
NRC Resident Inspector - PGDP
NRC Resident Inspector - PORTS
DOE Regulatory Oversight Manager
DOE HQ

Ms. Elizabeth Q. Ten Eyck
October 4, 1996
GDP 96-0180 Page 3

- Enclosures:
1. Confirmation of Compliance Requirements for DOE-owned material in USEC leased space.
 2. Description of USEC programs for evaluating radioactive contaminants in feed material at both sites.

Enclosure 1

Confirmation of Compliance Requirements for DOE-Owned Material in USEC Leased Space

Background

The storage of DOE-owned material in USEC leased spaces has been the subject of several letters among DOE, USEC, and NRC (see References 1 through 4). As discussed in Reference 4, USEC and DOE have entered into an agreement for DOE material storage at the GDPs. The issue of DOE-owned material is further addressed in the Compliance Plans for the GDPs (i.e., issue A.5 for PORTS and A.7 for PGDP). These portions of the Compliance Plans describe the actions to be taken by USEC to demarcate and delease those areas at the GDPs that currently contain DOE-owned material. The actions to be taken by USEC under these Compliance Plan Issues are listed below:

1. Complete approval of a UE2-level procedure that controls establishment and maintenance of DOE material storage area boundaries and controls access to these areas and reporting to DOE of unauthorized disturbance of the areas. The scheduled completion date for this action is November 30, 1996.
2. Demarcate the location and boundaries of DOE material storage areas in leased premises and return these areas to DOE control and oversight. The scheduled completion date for this action is December 31, 1996.

Following the completion of these actions, the DOE-owned material that is currently in USEC-leased space will become the responsibility of DOE, including the ultimate disposal of this material. USEC believes that this is consistent with the Commisioners' understanding of this issue. At the NRC staff briefing of the NRC Commissioners on Certification of USEC on August 28, 1996, Dr. Paperiello stated:

"The areas in which DOE material is stored will be deleased and returned to DOE, which has agreed to assume responsibility including regulatory responsibility for the areas for the contained material. Note that, DOE still owns the site and continues to conduct its own self-regulated operation separate from USEC in both leased and deleased areas. This situation will require special attention and coordination after certification to assure that DOE activities do not negatively impact the safety of USEC operations regulated by NRC."

Confirmation of Compliance Plan Action Dates

USEC has reviewed the status of the efforts underway to fulfill the above Compliance Plan due dates and has determined that those efforts are on schedule. DOE has agreed to assist us in our efforts to delease the areas containing DOE-owned material. The current status of the efforts needed to complete these Compliance Plan issues is provided below:

1. Completion of UE2 level procedure

PGDP and PORTS personnel are scheduled to meet on October 8, 1996, to develop this procedure. Following this meeting, a draft of this procedure will be finalized and the review and approval process will commence. This procedure is scheduled to be completed by November 30, 1996.

2. De-Leasing DOE-owned Storage Areas

The activities needed to fulfill this Compliance Plan Action are:

- Develop plant and building drawings showing storage locations.
- Post storage locations with signs indicating DOE material storage.
- Delease the storage locations.

The status of these activities is described below:

Develop plant and building drawings

Cascade building areas containing DOE-owned material have been identified and engineering drawings are being drafted. Walkdown of the DOE material storage areas (DMSAs) inside and outside the balance of plant buildings are in progress. The final drawings denoting the DMSAs are expected to be finalized by November 15, 1996.

Posting of storage locations

At PORTS, several outside locations (e.g., scrap metal boxes) have postings that currently meet the requirements of the USEC/DOE agreement. At PGDP, the posting process has not yet commenced. A meeting is scheduled for October 8, 1996, at PORTS with USEC and DOE personnel to discuss the wording for the postings. The posting of the DMSAs is scheduled to be completed by December 15, 1996.

Deleasing the storage locations.

Following the completion of the drawings denoting the DMSAs, USEC will work with DOE to delease these areas to DOE. This activity is scheduled to be completed by December 31, 1996.

References

1. DOE letter to NRC, J. W. Parks to E. Ten Eyck, "Evaluation of DOE Stored Materials at the Gaseous Diffusion Plants," dated December 22, 1995.
2. DOE letter to USEC, J. W. Parks to G. P. Rifakes, "Nuclear Regulatory Commission (NRC) Regulation of Department of Energy (DOE) - Owned Material Stored in Leased Areas," dated January 9, 1996.
3. DOE letter to NRC, J. W. Parks to E. Ten Eyck, "Department of Energy Material Stored in Leased Space," dated April 11, 1996.
4. DOE letter to USEC, J. W. Parks to G. P. Rifakes, "Agreement for Department of Energy Stored materials at the Gaseous Diffusion Plants."

Enclosure 2

Description of Programs for Evaluating Radioactive Contaminants in Feed Material

Introduction

Based on our October 2, 1996, discussion with the NRC staff, it is USEC's understanding that the concern regarding potential contaminants in feed material relates to the following:

- Description of the USEC program for controlling and sampling for radioactive contaminants in feed material; and
- Description of the USEC program for assuring that there are no significant adverse health or safety impacts associated with feed material that may not fully meet applicable ASTM standards.

There are several sources of material received by USEC at PORTS and PGDP that are either utilized as feed, blendstock, or direct shipment without further processing. The various types of feed material are discussed in the paragraphs below.

1. Commercial Natural Feed Materials

Commercial natural UF_6 feed is received at both plants from several suppliers. Currently, PGDP feeds commercial natural UF_6 . At both plants, two feed cylinders per month are sampled to determine conformance with ASTM C787-1990. No analysis for U-236 is currently performed because suppliers have been shown historically to have provided feed that is of virgin origin. Thus, this material meets the ASTM specification, C787-90, for radionuclides as "Commercial Natural UF_6 " by having a U-236 content of less than $20 \mu g/g$ -U. No technetium, or radionuclide analyses other than U-235, are required for this feed material because of its natural origin. Occasional sampling for technetium has been performed on request and has consistently indicated that the feed material is of virgin origin. In the unanticipated event that the U-236 content were to exceed the specification limit, evidence of this would appear in the PGDP or PORTS product and USEC would initiate corrective actions accordingly.

2. Enriched Feed Materials

Enriched feed material is of two types: 1) Paducah product shipped to PORTS for further enrichment; and 2) other "in process" material. Enriched product received from PGDP at PORTS is considered in-process material in SAR Chapter 1, Table 1-3, Note f and is therefore exempt from the ASTM specification for feed. A statistical sampling plan is followed for NMC&A purposes. An average of two cylinders per month are sampled for assay and purity, as a minimum. Although technetium analysis is not required per the specification, PGDP analyzes for it on a frequency of two product cylinders per month and PORTS analyzes for it on an as-requested basis for product control purposes. Technetium is present in the cascades at both PGDP and PORTS as a legacy from the 1960s and 1970s, when uranium from reactor production was blended into the process system.

Additionally, stored material (typically enriched) that was originally withdrawn from the cascade, and legacy inventory materials are considered in-process. These materials may or may not meet the ASTM specifications, but are exempted from these requirements at PORTS as discussed in the previous paragraph. Information on the assay and purity of these materials either from production data or from sample analysis is typically available. Whenever it is expected that the concentrations of either U-234, U-236 or technetium may impact product quality, the material feed rates are controlled to minimize that impact. In the case of HEU refeed, technetium traps will be installed in the PORTS Product Withdrawal (PW) facility to minimize the impact of this contaminant.

Regardless of the feed source, PORTS product meets ASTM C996-90 requirements with the occasional exception that the technetium limits for enriched commercial grade product are exceeded. Technetium analyses are being performed routinely even though the U-236 content trigger point of the ASTM standard is rarely exceeded. In some instances, product with an elevated technetium content has been accepted by the customer by agreement. In other cases, the out-of-specification product is refeed or blended to meet specification requirements. These instances of out-of-specification product do not reflect a radiological safety concern as discussed further in section 4 of this enclosure.

3. Russian Feed Material and Other Enriched Feeds

At the NRC briefing to the Commissioners on certification of USEC, a question was raised concerning the possibility of contaminants being introduced into the cascade process from Russian feed material. As was indicated by USEC at the Commissioners' briefing, the Russian material meets the ASTM specifications for nuclear fuel.¹ Additional information on this material is provided below:

Enriched material is often received from other outside sources. Currently the largest flow of this material is LEU derived from Russian HEU, commonly referred to as Derived Enriched Uranium (DEU). This material is purchased under an international agreement. It is certified by its producers to meet the ASTM C996-90 Standard Specification for Uranium Hexafluoride Enriched to Less than 5% U-235. Approximately 250 2-1/2-ton cylinders of this material have been received through August, 1996. Each of the cylinders has been accompanied by or preceded by documentation provided by Russia denoting all required chemical analyses pertaining to the ASTM specification. In addition, radionuclide analyses have also been provided. No Russian data to date has indicated any out-of-specification condition.

PORTS has performed analyses on 1S sample containers that are representative of the DEU in each 30B cylinder. All but one have been analyzed for assay, purity and U-236. All analysis results have met the ASTM C996-90 specification for these components. A technetium analysis has been performed on all cylinders exceeding the U-236 trigger point of the specification (1/2 the specification limit). In only a few cases has technetium been detectable.

¹See response from G. P. Rifakes to a question from Commissioner Diaz on page 9 of the transcript from the Commissioners' Briefing on Certification of USEC on August 28, 1996.

Currently, except for 100 pounds or less of DEU material which is vented to the cascade at the time of sampling and/or transfer, none of the DEU cylinders have been fed to the cascade. Most of the 30B DEU cylinders have been sampled by PORTS, and the contents of the 2S sample containers subjected to analyses similar to those performed on the contents of the 1S containers. These analyses have shown consistent agreement with those obtained from the 1S samples.

A few 30B DEU cylinders have been blended to date, with only uranium isotopic and purity analyses performed. The blended cylinders were then subjected to additional analyses. All of the material so produced has met the ASTM C996-90 specification. It is expected that the blending activities will increase in frequency.

USEC plans to have a witness program in place in Russia in the near future. The initiation of witnessing will allow USEC to eliminate the onsite sampling of Russian DEU 30B cylinders. It has already been shown, as discussed above, that the Russian sampling in 1S containers provides consistent agreement with the samples obtained at PORTS.

A second significant input of potential feed material from Russia has come in the category of "Matched Sales". This material has met the ASTM C996-90 product specifications for material produced from commercial natural enriched material. All of the cylinders received through August, 1996, have been sampled for assay and purity for NMC&A purposes. Additional analyses have been performed on most cylinders for the remaining isotopic analyses and technetium, with the exception of certain cylinders that were to be blended. The U-236 content of this material has been low enough to not require additional radionuclide or fission product analyses. Nevertheless, PORTS has analyzed some of the material and found typically none or negligible quantities of these contaminants present. A large fraction of the Matched Sales material has been fed to the cascade.

Enriched feeds, other than Russian material, are occasionally received. This material is statistically sampled and analyzed for U-236 as a check for radionuclides, technetium, and fission products. Purity and uranium isotopic analyses are also performed. The material is either blended, fed or sent directly to a customer.

4. Health Physics and Radiological Protection

In addition to the feed material sampling programs discussed above, the Radiation Protection group at each site implements a Radiation Protection program to ensure that radioactive materials, including those found in feed materials, do not adversely affect health and safety. This program is described in detail in the Certification Application, Safety Analysis Report, Section 5.3, Radiation Protection Program. Measures to address personnel exposure control and measurement activities, respiratory protection, contamination control, and personnel training are described in this program. Health Physics technicians are trained to identify possible sources of radiological hazard, including those that may originate as contamination in feed material. This program satisfies 10 CFR Part 20, Standards for Protection Against Radiation, except as discussed in the Compliance Plans for the GDPs. Relevant aspects of this program are:

1. Radiological work permits (RWPs) are used for work activities in contamination, radiation, or airborne radioactivity areas. The RWP serves as the basic implementing tool of the

Radiation Protection program and provides information to the worker concerning radiation hazards, protective clothing, job/task identification, and special instructions such as hold points.

2. Radiological surveys of cylinders and cylinder work areas provide information regarding contamination and radiation levels. Receipt surveys are performed on all incoming cylinders to identify external contamination and radiation levels. This information is then used to develop the requirements of appropriate RWPs and posting information. Abnormal radiation levels are investigated and appropriate corrective actions implemented.
3. To the extent practicable, radioactive materials are contained and/or confined during use and processing. In areas where hook-ups and disconnects of equipment could result in airborne radioactivity concentrations in excess of 10% of limits, work area air monitoring is established and appropriate respiratory protective equipment is utilized.



Department of Energy

Oak Ridge Operations Office
P.O. Box 2001
Oak Ridge, Tennessee 37831-8651

October 4, 1996

DOCKET NOS. 70-7003

Ms. Elizabeth Ten Eyck
Director, Division of Fuel
Cycle Safety and Safeguards
Nuclear Regulatory Commission
2 White Flint North
T8A33
Washington, DC 20555

Dear Ms. Ten Eyck:

MI-70-7003/96-0001: DOE-OWNED MATERIAL IN UNITED STATES ENRICHMENT CORPORATION LEASED SPACE

This letter provides the requested information in response to your letter dated September 26, 1996.

Regarding Department of Energy (DOE) stored material in United States Enrichment Corporation (USEC) leased space, discussions with USEC staff have provided assurance that the activities described in the Compliance Plan for this issue will be completed on or before the scheduled dates. This issue covers 1) the completion of procedures that control establishment and maintenance of DOE material storage area boundaries, and controls access to those areas as well as reporting to DOE unauthorized disturbance of the areas; and 2) demarcating the location and boundaries of DOE material storage areas on leased premises and return of these areas to DOE control and oversight. These activities are currently scheduled for completion on or before November 30, 1996, and December 31, 1996, respectively.

DOE will work closely with USEC on the return of the storage areas to DOE as non-leased areas. This formal de-leasing will be accomplished within the provisions of the Lease Agreement. The end result will be the existence of non-leased DOE areas within the process buildings where the DOE storage material is currently located.

Elizabeth Ten Eyck

-2-

October 4, 1996

If you have any questions or if we may be of additional assistance, please do not hesitate to contact me or Dale Jackson at (423) 241-3208.

Sincerely,



Joe W. Parks
Assistant Manager for
for Enrichment Facilities

cc:
G. W. Rifakes, USEC