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UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

November 1, 1996

United States Enrichment Corporation
ATTN: Mr. George P. Rifakes
Executive Vice President of Operations
Two Democracy Center
6903 Rockledge Drive
Bethesda, MD 20817

SUBJECT: MC&A OBSERVATION REPORTS 70-7001/96-202 & 70/7002/96-202

Dear Mr. Rifakes:

This refers to observations conducted by the NRC Headquarters material control and accounting (MC&A) team during the week of September 23, 1996, at the Paducah and Portsmouth Gaseous Diffusion Plants (GDPs). The results of our observations were discussed with the plant management throughout the observation period and during an exit meeting at the conclusion of the observation.

The reports document NRC observations during the GDPs' annual physical inventories. The verification of the physical inventory at both GDPs indicated that the itemized nuclear material inventory quantities are adequately stated. The observations of cascade inventory data gathering and UF₆ gas sampling indicated that the inventory was conducted in a reasonable and systematic manner.

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Mr. Rifakes

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In accordance with 10 CFR 2.790 of the Commission's regulations and the Department of Energy (DOE) - Nuclear Regulatory Commission Memorandum of Understanding for the GDPs, a copy of this letter and Enclosure 1 will be placed in the appropriate NRC Public Document Rooms. We have also provided DOE a copy of these reports for their review.

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

Sincerely,

Original Signed By

John W. N. Hickey, Chief
Enrichment Branch
Division of Fuel Cycle Safety
and Safeguards, NMSS

Docket Nos. 70-7001 & 70-7002
Enclosures: Observation Reports
No. 70-7001/96-202 (Paducah)
No. 70-7002/96-202 (Portsmouth)

Distribution:

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