



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

REGION III  
801 WARRENVILLE ROAD  
LISLE, ILLINOIS 60532-4351

February 18, 1997

Mr. J. H. Miller  
Vice President - Production  
United States Enrichment Corporation  
Two Democracy Center  
6903 Rockledge Drive  
Bethesda, MD 20817

SUBJECT: PORTSMOUTH OBSERVATION REPORT 70-7002/96008(DNMS)

Dear Mr. Miller:

This refers to the observations and reviews conducted from December 7, 1996, through January 24, 1997, of United States Enrichment Corporation activities at the Portsmouth Gaseous Diffusion Plant. Our observations were discussed with you and Messrs. Dale Allen and Ron Gaston and members of their staffs during, and at the conclusion of the observation period.

Areas reviewed during the observation period are identified in the report. Within these areas, the activities consisted of selective examinations of procedures and representative records, interviews with personnel, and observations during various shifts.

Based upon the areas observed, we continue to have significant concerns regarding the effectiveness of your corrective action program. Of particular concern was the December 16, 1996 movement of a uranium hexafluoride filled cylinder by a straddle carrier before the cylinder's required cooldown period was met. The corrective actions from a similar event in 1994 were not effective in preventing this precursor to a design basis accident. We will continue to closely monitor your performance in this area.

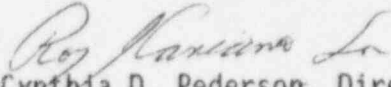
In accordance with 10 CFR 2.790 of the Commission's regulations and the Department of Energy - Nuclear Regulatory Commission Memorandum of Understanding for the gaseous diffusion plants, a copy of this letter and the enclosed observation report will be placed in the NRC Public Document Room. We have also provided the Department of Energy (DOE) a copy of this report for their review.

J. H. Miller

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

Sincerely,

  
Cynthia D. Pederson, Director  
Division of Nuclear Materials Safety

Docket No. 70-7002

Enclosure: Observation Report  
No. 70-7002/96008(DNMS)

cc w/encl: S. A. Polston, Paducah General Manager  
D. I. Allen, Portsmouth General Manager  
R. W. Gaston, Portsmouth Nuclear Regulatory  
Affairs Manager  
R. L. Woolley, Manager, Nuclear Regulatory  
Assurance and Policy, USEC  
Y. H. Faraz, NMSS

cc w/o encl: R. M. DeVault, DOE