

December 2, 1996

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

SUBJECT: PORTSMOUTH OBSERVATION REPORT 70-7002/96-203

Dear Mr. Jackson:

Enclosed for your information and use is a cover letter addressed to Mr. J. H. Miller, USEC, and a report of the special nuclear criticality safety readiness review conducted during the period September 30 through October 4, 1996, of United States Enrichment Corporation (USEC) activities at the Portsmouth Gaseous Diffusion Plant. The report documents NRC observations made during the period as a part of our mutual efforts in the transition of regulatory oversight responsibility for this facility from the Department of Energy to the Nuclear Regulatory Commission.

The Inspectors discussed these observations with your Site Safety Representative 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)
Philip Ting, Chief
Operations Branch
Division of Fuel Cycle Safety
and Safeguards, NMSS

Docket No. 70-7002

Enclosure: Observation Report
No. 70-7002/96-203

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

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