



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

December 2, 1996

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

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

Dear Mr. Miller:

This refers to 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. Our observations were discussed with Mr. Dale Allen, General Manager, members of his staff, and the Department of Energy Site Safety Representatives throughout and at the conclusion of the review.

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.

Based upon the areas observed, weaknesses were identified in your configuration control program and in the tracking of surveillance and maintenance requirements. Also, it does not appear that you will meet your schedule for completion of NCSAs/NCSEs by December 31, 1996, as required by Compliance Plan Issues 8 and 9. Your proposed justification for the schedule change is requested.

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

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Mr. J. H. Miller

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enclosed observation report will be placed in the appropriate NRC Public Document Rooms. We have also provided the Department of Energy (DOE) a copy of this report for their review.

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/encl: S. A. Polston, Paducah General Manager
W. E. Sykes, Paducah Regulatory Affairs Manager
D. I. Allen, Portsmouth General Manager
R. W. Gaston, Portsmouth Regulatory Affairs Manager

cc w/o encl: J. D. Jackson, DOE

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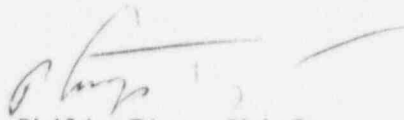
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