



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

May 16, 1997

EA97-190

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

SUBJECT: PADUCAH INSPECTION REPORT 70-7001/97-201

Dear Mr. Miller:

This refers to the Nuclear Criticality Safety (NCS) inspection by members of the Headquarters staff conducted on March 17-21, and March 31-April 4, 1997, at your Paducah, Kentucky facility. The purpose of the inspection was to determine whether activities authorized by your certificate were conducted safely and in accordance with NRC requirements. At the conclusion of the inspection, the findings were discussed with those members of your staff identified in the report (Enclosure 1).

Areas examined in the inspection are identified in the enclosed report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with plant personnel, and observation of activities in progress. Within the scope of the inspection, two violations were identified, as described in Enclosure 2, Notice of Violation (Notice). The violations involved the failure to provide a specific Nuclear Criticality Safety Evaluation for an ongoing plant operation and the failure to incorporate Nuclear Criticality Safety Approval (NCSA) requirements into the Pre-Fire Plan. The NRC is concerned about these violations because all storage operations involving fissile material were not identified and evaluated, and necessary NCSA requirements were not incorporated into applicable procedures used by a non-operations group. Also, one Unresolved Item (URI) was identified along with five Inspector Follow Up Items (IFIs). The NRC expects to resolve these concerns at a future inspection.

Several program weaknesses were also noted in the inspection report. These weaknesses, for the most part, were already self-identified through your assessment and surveillance programs in the February - March 1997 time period. Several of our inspection observations can be considered additional examples of those self-identified problems. Since you were still in the process of evaluating the root causes and determining the long term corrective actions for your self-identified problems, no other regulatory action is planned at this time. However, you are requested to provide us with your evaluation of the General Manager's Independent Assessment findings, their root causes, the planned corrective actions, and implementation schedule.

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Mr. J. H. Miller

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You are required to respond to this letter and should follow the instructions in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. Your response may reference or include previous docketed correspondence, if the correspondence adequately addressed the required response. After reviewing your response to the Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with the NRC's "Rules of Practice," a copy of this letter and its enclosure will be placed in the NRC Public Document Room. Should you have any questions concerning this inspection, we would be pleased to discuss them with you.

Sincerely,
(Original signed by)
Philip Ting, Chief
Operations Branch
Division of Fuel Cycle Safety
and Safeguards, NMSS

Docket No. 7001

Certificate No. GDP-1

Enclosures:

As stated

cc w/enclosures:

Mr. Steve Polston, General Manager
Paducah Gaseous Diffusion Plant

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Docket File 70-7001

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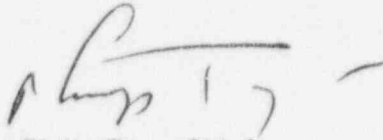
Mr. J. H. Miller

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Sincerely,

A handwritten signature in black ink, appearing to read 'Philip Ting', with a horizontal line extending to the right.

Philip Ting, Chief
Operations Branch
Division of Fuel Cycle Safety
and Safeguards, NMSS

Docket No. 7001
Certificate No. GDP-1

Enclosures:
As stated

cc w/enclosures:
Mr. Steve Polston, General Manager
Paducah Gaseous Diffusion Plant