August 7, 2000

Mr. James N. Adkins
Vice President - Production
United States Enrichment Corporation
Two Democracy Center
6903 Rockledge Drive
Bethesda, MD 20817

SUBJECT: PORTSMOUTH INSPECTION REPORT 70-7002/2000007(DNMS)
AND NOTICE OF VIOLATION

Dear Mr. Adkins:

On July 17, 2000, the NRC completed a routine resident inspection at your Portsmouth Gaseous Diffusion Plant. The purpose of the inspection was to determine whether activities authorized by the certificate were conducted safely and in accordance with NRC requirements. At the conclusion of the inspection, the inspectors discussed the findings with members of your staff.

Based on the results of the inspection, the NRC has determined that a violation of NRC requirements occurred. The violation is cited in the enclosed Notice of Violation (Notice), and the circumstances surrounding the violation are described in detail in the enclosed report. The violation is of concern because your staff failed to appropriately store classified matter.

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned, and the date when full compliance will be achieved is already adequately addressed in the enclosed inspection report. Therefore, you are not required to respond to this violation unless the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed notice.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be available **electronically** for public inspection in the NRC Public Document Room **or** from the *Publicly Available Records (PARS) component of NRC's document system (ADAMS)*. *ADAMS is accessible from* the NRC Web site at http://www.nrc.gov/NRC/ADAMS/index.html (the Public Electronic Reading Room).

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

Sincerely,

/RA/

Patrick L. Hiland, Chief
Fuel Cycle Branch

Docket No. 70-7002
Certificate No. GDP-2

Enclosures: 1. Notice of Violation
2. Inspection Report 70-7002/2000007(DNMS)

cc w/encls: J. M. Brown, Portsmouth General Manager
P. J. Miner, Manager, Nuclear Regulatory Affairs, Portsmouth
H. Pulley, Paducah General Manager
S. A. Toelle, Manager, Nuclear Regulatory
Assurance and Policy, USEC
Portsmouth Resident Inspector Office
Paducah Resident Inspector Office
R. M. DeVault, Regulatory Oversight Manager, DOE
Portsmouth Site Manager, DOE
J. R. Williams, State Liaison Officer

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Y. H. Faraz, NMSS w/encls
J. L. Caldwell, RIII w/encls
C. D. Pederson, RIII w/encls
RIII Enf. Coordinator w/encls
R. Bellamy, RI w/encls
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NOTICE OF VIOLATION

United States Enrichment Corporation
Portsmouth Gaseous Diffusion Plant

Docket No. 70-7002
Certificate No. GDP-2

During an NRC inspection conducted from June 3, 2000, through July 17, 2000, one violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," NUREG-1600, Revision 1, the violation is listed below:

> Technical Safety Requirement 3.9.1 requires, in part, that written procedures shall be implemented for activities described in Appendix A of Safety Analysis Report Section 6.11, "Procedures." Appendix A of Section 6.11 describes security and visitor control as an activity that shall be implemented in accordance with written procedures.
>
> Paragraph 5.1.1 of Procedure XP2-SS-SE1404, "Storage, Handling, Marking, and Transport of Classified Parts and Equipment," requires, in part, that plant staff shroud classified parts with opaque material when secured within a security approved storage area.
>
> Contrary to the above, on June 20, 2000, plant staff failed to shroud classified parts with opaque material when secured within a security approved storage area in Building X-705.
>
> This is a Severity Level IV Violation (Supplement VI). **(VIO 070-7002/2000007-01).**

The NRC has concluded that information regarding the reasons for Violation 70-7002/2000007-01, the corrective actions taken and planned to correct the violation and prevent recurrence, and the date when full compliance will be achieved are already adequately addressed in this Inspection Report. Therefore, a specific response to Violation 70-7002/2000007-01 is not required. However, you are required to submit a written statement or explanation, pursuant to 10 CFR 76.70, if the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to respond, clearly mark response as a "Reply to a Notice of Violation," and send it to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, D.C. 20555, with a copy to the Regional Administrator, Region III, and a copy to the NRC Resident Inspector at Portsmouth, within 30 days of the date of the letter transmitting this Notice.

If you contest this enforcement action, you should also provide a copy of your response, with the basis for denial, to the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, D.C. 20555-0001.

Because your response will be placed in the NRC Public Electronic Reading Room (PERR), to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PERR without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (for example, explain why

the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.790(b) to support a request for withholding confidential commercial or financial information. If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days.

Dated this 7th day of August 2000

U.S. NUCLEAR REGULATORY COMMISSION
REGION III

Docket No:	70-7002
Certificate No:	GDP-2
Report No:	70-7002/2000007(DNMS)
Facility Operator:	United States Enrichment Corporation
Facility Name:	Portsmouth Gaseous Diffusion Plant
Location:	3930 U.S. Route 23 South P.O. Box 628 Piketon, OH 45661
Dates:	June 3, 2000, through July 17, 2000
Inspectors:	D. J. Hartland, Senior Resident Inspector C. A. Blanchard, Resident Inspector R. G. Gattone, Fuel Cycle Inspector
Approved By:	Patrick L. Hiland, Chief Fuel Cycle Branch Division of Nuclear Materials Safety

EXECUTIVE SUMMARY

United States Enrichment Corporation
Portsmouth Gaseous Diffusion Plant
NRC Inspection Report 70-7002/2000007(DNMS)

Operations

The inspectors concluded that the transition plan to address a new organizational structure and reduction in force was comprehensive. The inspectors have not identified any issues to date with the transition and will continue to monitor implementation of the plan and ensure that there is no adverse impact on safe operations as a result of the layoffs. (Section O1.1)

The inspectors concluded that plant staff's corrective action in response to a Nuclear Criticality Safety Approval noncompliance were prudent and timely. Justification to omit a site-wide seal can inspection was based on minimizing worker exposure to harsh environments and an evaluation of the safety significance of the plastic bags remaining in the seal cans. (Section O1.2)

The inspectors identified an issue regarding potential impact of Criticality Accident Alarm System audibility due to noise generated by a steam leak outside the Tails Station. Plant staff took appropriate action to address the issue and any generic implications. (Section O1.3)

Maintenance

The inspectors concluded that plant staff had made significant enhancements to the history/trend analysis program. However, plant staff had identified that additional training for engineers was warranted to more effectively use all aspects of the Computerized Maintenance Management System sorting program. (Section M1.1)

Engineering

Procedure changes recommended by engineering evaluations (EEs) were put into the required process for revision approval, and plant staff understood the intent and limitations of EEs. (Section E1.1)

Plant Support

The inspectors identified a violation in that plant staff were not storing some classified matter in accordance with the Site Security Plan and implementing procedure. Subsequently, plant staff developed and initiated appropriate corrective measures necessary to ensure proper storage of the classified matter in a timely manner. (Section S1.1)

Report Details

I. Operations

O1 Conduct of Operations

O1.1 Transition Plan Review

a. Inspection Scope (88100)

The inspectors reviewed plant management's transition plan to a new organizational structure and a reduction in force.

b. Observations and Findings

The inspectors reviewed plant management's transition plan to a new organizational structure and reduction in force that was implemented on June 30. The new structure included combining Nuclear Regulatory Affairs with Commitment Management, Procedures Management with Training, Environmental Safety & Health with Production Support, and Quality Systems with Nuclear Safety & Quality. The purpose of the plan was to specify predetermined actions and due dates for completion of those actions to ensure continued safe operation of the facility.

The inspectors determined that the plan was comprehensive in content. The plan addressed review of certification documents and procedures for revision, training and qualification of personnel assuming new responsibilities, and the identification of performance indicators to monitor for adverse trends after the transition. Management also performed an independent assessment that included representatives from the Portsmouth and Paducah sites as well as USEC Headquarters to ensure safety and compliance requirements were met. The inspectors have not identified any issues with the transition to date and will continue to monitor implementation of the plan and ensure that there is no adverse impact on safe operations from the layoffs.

c. Conclusion

The inspectors concluded that the transition plan to address the new organizational structure and the reduction in force was comprehensive. The inspectors have not identified any issues with the transition to date and will continue to monitor implementation of the plan and ensure that there is no adverse impact on safe operations from the layoffs.

O1.2 Response to Nuclear Criticality Safety Approval Noncompliance

a. Inspection Scope (88100)

The inspectors reviewed plant staff's response to a noncompliance with a Nuclear Criticality Safety Approval (NCSA) in Building X-333.

b. Observations and Findings

On April 20, 2000, plant staff identified a noncompliance with NCSA Plant 064, "Handling and Storage of Seal Cans." The NCSA limited the seal can contents to one seal and clearly omitted any foreign material. Contrary to the NCSA, plant staff identified two seal cans containing compressor seals in plastic bags in Building X-333. The inspectors noted that plant staff promptly entered a nuclear criticality safety (NCS) anomalous condition and issued Problem Report (PR) 00-02107 in accordance with plant procedures. The anomalous conditions incident report documented that the plastic in the seal can did not violate the double contingency principle. However, the Plant Shift Superintendent (PSS) requested plant staff to begin an inspection of the 2000 seal cans stored on-site for foreign material to ensure compliance with the NCSA. Plant staff identified several additional seal cans containing plastic before the inspection effort was stopped on April 25, 2000.

The inspectors reviewed actions leading to the noncompliance with the NCSA. Through discussions with the inspectors, plant staff explained that, in the past, seal cans used to be lined with plastic bags prior to placement of the compressor seals in the cans. Subsequent to this practice, the NCSA was written to prohibit the use of plastic bags, and plant staff discontinued the practice of lining the cans with plastic bags before storing the seals. However, until April 20, 2000, plant staff did not realize that several cans, which had been placed in storage prior to the implementation of the NCSA, contained a plastic bag liner with a compressor seal, and this resulted in the NCSA noncompliance.

The inspectors reviewed plant staff's actions leading to the termination of the seal can inspection. The PSS explained that a noncompliance with an NCSA required NCS staff to immediately evaluate the condition and follow up with corrective actions to reestablish compliance. The inspectors noted that plant staff addressed the immediate NCS issue in a timely and systematic approach in accordance with plant procedures, and a site-wide inspection effort of the seal cans was initiated. However, plant management determined that the seal can inspection for plastic was resource intensive, subjected workers to elevated temperatures and exposure to radioactive material, and was not an immediate safety issue. On April 25, 2000, the corrective action was changed from physically inspecting the seal cans to analyzing if the plastic bags could remain in the seal cans. The inspectors noted that the NCSA was subsequently changed to allow any foreign material that could have inadvertently been left in seal cans during packing, including plastic bags, rubber gloves, etc. The inspectors did not identify any deficiencies in the revised NCSA.

c. Conclusion

The inspectors concluded that plant staff's corrective action in response to the NCSA noncompliance appeared prudent and timely. Justification to omit a site-wide seal can inspection was based on minimizing worker exposure to harsh environments and an NCS evaluation of the safety significance of the plastic bags remaining in the seal cans.

O1.3 Criticality Accident Alarm System Audibility

a. Inspection Scope (88100)

The inspectors observed plant operations to verify compliance with certificate requirements.

b. Observations and Findings

On July 14, during a tour of the Tails Station, the inspectors observed a loud noise coming from a leak on steam piping outside the building and adjacent to the station. Since the area was within the 200-foot zone required for the Building X-330 Criticality Accident Alarm System (CAAS) coverage, the inspectors questioned whether the audibility of the CAAS horns was impacted by the noise. Plant staff took noise level readings and compared them against records from previous CAAS audibility testing. Plant staff concluded that the noise generated by the steam leak (94 decibels) was well below the 118 decibels generated by the CAAS horns. As corrective action, plant staff documented the issue in PR 00-03514 to ensure that it was addressed generically. As corrective action, plant staff was evaluating procedural changes to ensure that the operability of CAAS was addressed when activities were planned or as-found conditions were identified that potentially impacted audibility.

c. Conclusions

The inspectors identified an issue regarding potential impact of CAAS audibility due to noise generated by a steam leak outside the Tails Station. Plant staff took appropriate action to address the issue and any generic implications.

O8 Miscellaneous Operations Issues

O8.1 Certificatee Event Reports (90712)

The certificatee made the following operations-related event reports during the inspection period. The inspectors reviewed any immediate safety concerns indicated at the time of the initial verbal notification. The inspectors will evaluate the associated written reports for each of the events following submittal, as applicable.

Number	Date	Status	Title
37072	6/09/00	Closed*	Notification to another federal agency, accident involving a tractor/trailer carrying two empty 10-ton uranium hexafluoride (UF_6) cylinders.
37106	6/22/00	Open	Safety System Failure, inaudibility of CAAS horns during testing of the building evacuation horns.

*NRC reviewed this event and have no further issues. No 30-day report to the NRC is required.

O8.2 Bulletin 91-01 Reports (97012)

The certificatee made the following reports pursuant to Bulletin 91-01 during the inspection period. The inspectors reviewed any immediate NCS concerns associated with the report at the time of the initial verbal notification. Any significant issues emerging from these reviews are discussed in separate sections of this report or in future inspection reports.

Number	Date	Title
37057	6/05/00	4-Hour Report - NCS violation, NCSA was violated when insulation around uranium-bearing piping in Building X-705 was found to be contaminated from a legacy leak.
37120	6/27/00	24-Hour Report - NCS violation, NCSA was violated during batching operations In Building X-710 when contents of polybottles were batched into five gallon containers without adequate documentation showing that the measurement results of the samples taken were independently verified.
37162	7/11/00	24-Hour Report - NCS violation, NCSA was deficient as it referenced a drawing of an expanded metal liner instead of a steel liner for an F-can which is required to reduce the internal diameter to less than 5" for a known or suspected enrichment of >80 percent.
37172	7/17/00	24-Hour Report - NCS violation, NCSA was violated when spacing control was lost for two groups of compressor seal cans in Building X-330.
37173	7/17/00	24-Hour Report - NCS violation, NCSA was violated when two seal cans were found to contain more than one seal set in Building X-330.

O8.3 (Closed) IFI 70-7002/98011-01: Lack of required identification tagging for process building equipment. Plant staff identified that the material used to fabricate equipment tags did not withstand the process environment coupled with a lack of clear procedural requirements to establish an effective equipment tagging program as the root cause of the issue. To correct the problem, cognizant procedures were revised to specify that building management was responsible for maintaining equipment tagging and engineers include tags for new or modified equipment. The inspectors observed equipment tags on selected equipment during routine plant tours and consider this item closed.

O8.4 (Closed) CER 36092: Failure of cascade automatic data processing smoke detection system. Plant staff determined that the root cause was failure to follow procedure. The procedure for operating the system required that the operator place the affected unit in

the manual mode of operation when the mimic panel was not operational. Operators failed to do so, resulting in loss of alarm capability in the Area Control Room. As corrective action, plant staff performed a "lessons learned" from the event, emphasizing the importance of following procedures. This non-repetitive, certificatee-identified and corrected violation is being treated as a Non-Cited Violation, consistent with Section VII.B.1 of the NRC Enforcement Policy. The inspectors have no further issues and this item is closed.

O8.5 (Closed) VIO 70-7002/98014-02: Failure to complete accurate information regarding the completion status of corrective actions required by the Compliance Plan. Plant staff determined that the root cause was a misunderstanding regarding the purpose of the status report and its required content. As corrective action, plant staff submitted letters to the NRC that described the status of Compliance Plan issues, including results of ongoing self-assessments and criteria for reopening previously completed issues. The inspectors have no further issues and this item is closed.

II. Maintenance

M1 Conduct of Maintenance Activities

M1.1 Failure Analysis Process Implementation

a. Inspection Scope (88103)

The inspectors reviewed plant staff's mechanism for identifying adverse trends in equipment failures.

b. Observations and Findings

The inspectors evaluated plant staff's actions to address equipment found out-of-tolerance (OOT) during routine calibrations. The inspectors noted a change in the way plant staff addressed the OOTs. Past practice was that cognizant system engineers typically performed an evaluation each time equipment was found OOT. However, the PSS no longer required system engineers to perform a formal engineering evaluation. Instead, the inspectors noted plant staff used the guidance of NUREG-1022, "Event Reporting Guidelines," to establish the time an identified OOT piece of equipment occurred (time of discovery). The inspectors raised an issue in that adverse trends may not be identified under the current practice.

The inspectors reviewed the plant staff's process for identifying adverse trends in equipment OOTs. As identified by Violation 70-7002/99006-03a, plant staff used the PR system and computerized maintenance management system (CMMS) to aid in tracking adverse trends. The violation identified problems with the implementation and integration of these systems. Plant staff made several enhancements to these systems and required the use of the programs to gain insight on reoccurring equipment problems. Specifically, the CMMS program required that reliability engineers review the maintenance history file and identify trends in equipment failures, adjust preventive maintenance frequencies, and justify plant modifications. The PR program required the

PR screening committee to assign classification, equipment, and consequence codes to each PR. In addition, the inspectors noted Engineering Procedures XP3-EG-EG1042, "Equipment Failure Analysis," and XP3-EG-EG1060, "Conduct of Engineering," required systems engineers to trend system parameters, evaluate significant changes, and recommend corrective actions to reverse adverse trends. The inspectors noted that the process enhancements instituted provided adequate guidance for implementation of an effective material history/trend analysis program.

The inspectors reviewed the implementation of the material history/trend analysis program. In discussions with inspectors, several engineers stated there was clear procedural guidance to establish an effective material history/trend analysis program. However, engineers stated that the PR computer program did not allow them to query and sort different codes without working through the program administrator. In addition, engineers stated that maintenance staff had made several enhancements to the CMMS program but were not familiar with CMMS sorting program capabilities. The inspectors learned that maintenance staff identified a lack of working knowledge with the CMMS computer sorting program by the engineering staff and had scheduled training on the subject with the engineering staff. The inspectors will continue to monitor the effectiveness of the material history/trend analysis program.

c. Conclusion

The inspectors concluded that plant staff had made significant enhancements to the history/trend analysis program. However, plant staff had identified that additional training for engineers was warranted to more effectively use all aspects of the CMMS sorting program.

M8 Miscellaneous Maintenance Issues

M8.1 (Closed) VIO 70-7002/97005-02: Failure to provide approved procedures for complex safety-related work activities. As corrective action, plant staff developed more specific guidance for maintenance managers and planning personnel to identify what activities would be required to be performed by approved procedures. Plant staff also reviewed existing work packages and new tasks against the new guidance and developed procedures for those activities, as required. The inspectors have no further issues and this item is closed.

III. Engineering

E1 Conduct of Engineering

E1.1 Use of Engineering Evaluations

a. Inspection Scope (88100)

The inspectors reviewed plant staff's use of engineering evaluations (EEs) pertaining to procedure revisions.

b. Observations and Findings

The inspectors reviewed EE No. EVAL-OS-2000-0172, dated April 3, 2000. The EE recommended that the frequency of cascade cell pressure instrumentation calibrations for operating cells be changed from five years to an "as needed" basis. The cascade cell pressures were read at the local control centers using gauges on pressure indicating controllers (PIC)s. The PICs read the output of the differential pressure transmitters which compared the cell to a reference pressure (datum). The PICs were used by plant staff to verify that cascade cells did not exceed the pressures specified in Technical Safety Requirements (TSRs) 2.2.3.13 and 2.7.3.12. The TSR basis statements documented that "the calibration of the unit and cell datums will ensure an adequate level of accuracy and therefore the calibration of the individual PICs is not necessary." The inspectors concluded that the recommendations made in the EE were technically justified. Additionally, the inspectors concluded that the EE was not used as a means of authorizing changes to license commitments and procedural requirements.

The inspectors interviewed Maintenance personnel and determined that the individuals were aware that EEs could not be used as a means of authorizing changes to license commitments and procedural requirements. The individuals also stated that they were not aware of any instances when an EE was used as a means of authorizing changes to license commitments or procedural requirements. Additionally, the individuals understood the intent and limitations of EEs.

The inspectors interviewed the System Engineering Manager who stated that EEs were used for: (1) PSS requests to document problems which may require reporting; (2) compiling information obtained by the Engineering staff; (3) evaluating if equipment was meeting its safety intent and if there was a noncompliance or a need to report a problem; and (4) communicating recommendations from Engineering to field staff (e.g., Operations staff). The manager stated that recommended procedure revisions were required to be formally processed before the procedures were revised (including a Plant Change Review [PCR] to comply with 10 CFR 76.68, “Plant Changes”). The manager stated that TSR 3.9 prohibited EEs from being used as a means of authorizing changes to license commitments and procedural requirements, and all staff received training on the applicable procedures. The manager was unaware of any examples of when EEs were used as a means of authorizing changes to license commitments or procedural requirements. Additionally, the manager was aware of specific actions required to ensure that recommended procedure changes in EEs resulted in formal approval of revised procedures.

The inspectors interviewed the Training & Procedures Manager who stated that EEs could be used as a basis for procedure revisions. However, EE recommendations to revise procedures could not be used as a means of authorizing changes to license commitments and procedural requirements. The manager was unaware of any examples of when EEs were used as a means of authorizing changes to license commitments or procedural requirements. Additionally, the manager was aware of specific actions required to ensure that recommended procedure changes in EEs resulted in formal approval of applicable procedures. The manager stated that the staff was trained only to follow procedures and knew EEs were not procedures. The manager said plant staff was informed when EE procedure change recommendations had been incorporated into revised procedures via briefings.

The inspectors reviewed Procedure XP3-EG-EG1080, "Design Analysis and Calculations and Engineering Evaluations." The inspectors noted that the procedure indicated, among other things, that: (1) plant modifications or changes could not be made using an EE; (2) EEs were used to make recommendations to revise procedures; and (3) recommended procedure revisions involving content changes were required to include a PCR as part of the process for revision approval. The inspectors reviewed Procedure UE2-PS-PS1031, "UE Procedure Control Process." The inspectors noted that, among other things, the procedure: (1) was intended to ensure that changes in commitments, requirements, or management policy were incorporated in applicable procedures; (2) included a formal approval process (including use of a PCR for content changes); and (3) included coordination with applicable training representatives to determine training needs and other communications necessary to implement the procedure.

In order to determine if recommended procedure changes contained in EEs were put through the formal process of approval, the inspectors reviewed selected EEs that were generated between February and June of 2000. Based on the review of selected records and interviews with selected staff, the recommended procedure changes in the EEs were put into the required process for approval.

c. Conclusion

Recommended procedure changes in EEs were put into the required process for revision approval, and plant staff understood the intent and limitations of EEs.

IV. Plant Support

S1 Security and Safeguards

S1.1 Protection of Classified Matter

a. Inspection Scope (81820)

The inspectors reviewed the access controls for classified matter at the site.

b. Observations and Findings

On June 20, the inspectors observed classified matter stored in view of an exterior door in Building X-705. The door was fabricated of expanded metal covered with approximately a quarter inch screen. The inspectors observed that the screen covered the expanded metal door and was secured shut but could allow an individual to view operations within the building. In addition, the inspectors observed classified matter covered with clear plastic stored on a pallet approximately 20 feet from the door. However, the contents of the pallet could not be easily identified with the naked eye from outside the building. In discussion with the inspectors, the building manager explained there was no requirement to keep the solid door that was interior to the expanded metal door closed when storing classified matter within the viewing area. Visitor access controls were in place to the controlled work area.

The inspectors reviewed security plans and implementing procedures for control of classified matter. The NRC-approved Site Security Plan required a knowledgeable person, who possessed the appropriate access authorization, to escort uncleared individuals within the Controlled Access Area. The Building X-705 Security Plan required that the facility shroud, store in an approved storage area, or limit access to classified matter. In discussions with the inspectors, the building manager explained that security staff had classified the Building X-705 work area as an approved classified storage area because the area was secured and access was controlled. However, the inspectors noted that Procedure XP-SS-SE1404, "Storage, Handling, Marking, and Transport of Classified Parts and Equipment," required classified components to be covered with an opaque material when secured within a security approved storage area. The inspectors noted that the administrative escort controls would not allow an uncleared individual visual access to the observed uncovered classified component but that the opaque covering added an additional security control.

The inspectors reviewed plant staff's corrective actions to address the security issue. As immediate corrective actions, plant staff placed opaque covers over the identified classified components and closed the solid interior door. In addition, building management issued a daily operating instruction to review security controls for classified matter, and security performed an investigation which included a walk-down of all security areas to verify compliance with access controls. The security investigation concluded that there was no identified compromise of classified matter as a result of the infraction but recommended enhancements to the security posture. On June 21, the security investigation was completed, and the PSS issued a 24-hour loggable event for a non-compromising security infraction. As of the end of the inspection period, security management had developed a corrective action plan to clarify security access to any classified component. Specifically, the corrective action plan included a revision to the Building X-705 Security Plan and implementing procedures to enhance guidance in controlling visual access to classified components. Security personnel were briefed to inspect for visual access to classified components during routine security tours. The inspectors reviewed the corrective actions and determined that the actions should preclude unauthorized access to classified matter consistent with the Site Security Plan and regulations.

Technical Safety Requirement 3.9.1 requires, in part, that written procedures shall be implemented for activities described in Appendix A of Safety Analysis Report Section 6.11, "Procedures." Appendix A of Section 6.11 describes security and visitor control as an activity that shall be implemented in accordance with written procedures. Paragraph 5.1.1 of Procedure XP2-SS-SE1404, "Storage, Handling, Marking, and Transport of Classified Parts and Equipment," requires, in part, that plant staff shroud classified parts with opaque material when secured within a security approved storage area. The failure on June 20 by plant staff to shroud classified parts with opaque material in Building X-705, a security approved storage area, is a **Violation (VIO 070-7002/2000007-01).**

c. Conclusion

The inspectors identified a violation in that the plant staff were not storing some classified matter in accordance with the Site Security Plan and implementing procedure.

Subsequently, plant staff developed and initiated appropriate corrective measures necessary to ensure proper storage of the classified matter in a timely manner.

V. Management Meetings

X1 Exit Meeting Summary

The inspectors presented the inspection results to members of the facility management on July 17, 2000. The facility staff acknowledged the findings presented and indicated concurrence with the facts, as stated. The inspectors asked the plant staff whether any materials examined during the inspection should be considered proprietary. No proprietary information was identified.

PARTIAL LIST OF PERSONS CONTACTED

United States Enrichment Corporation

J. Anzelmo, Work Control Manager
*M. Brown, General Manager
*D. Couser, Training & Procedures Manager
*J. Cox, Plant Services Manager
*S. Fout, Operations Manager
*R. Helme, Engineering Manager
R. Lawton, Nuclear Safety & Quality Manager
P. Miner, Regulatory Affairs/Commitment Management Manager
*P. Musser, Enrichment Plant Manager
*R. Smith, Plant Support Manager
M. Wayland, Maintenance Manager

*Denotes those present at the exit meeting on July 17, 2000.

INSPECTION PROCEDURES USED

IP 81820:	Security
IP 88100:	Plant Operations
IP 88103:	Maintenance
IP 90712:	In-office Reviews of Written Reports on Non-routine Events

ITEMS OPENED, CLOSED, AND DISCUSSED

Opened	Item Type	Summary
37106	CER	Safety System Failure, inaudibility of CAAS horns while testing the building evacuation horns.
70-7002/2000007-01	VIO	Failure to store classified matter in accordance with site security plan and implementing procedures.
Closed		
70-7002/97005-02	VIO	Failure to provide approved procedures for complex safety-related work activities.
70-7002/98011-01	IFI	Monitor action to address equipment identification tagging.
70-7002/98014-02	VIO	Failure to complete accurate information regarding the completion status of corrective actions required by the Compliance Plan.
70-7002/2000007-01	VIO	Failure to store classified matter in accordance with site security plan and implementing procedures.

37072	CER	Notification to outside agency, accident involving tractor/trailer carrying two empty 10- ton UF_6 cylinders.
36092	CER	Failure of cascade automatic data processing smoke detection system.
Discussed		
70-7002/99006-03a	VIO	Failure to implement corrective actions for conditions adverse to quality associated with the equipment history/maintenance program.

LIST OF ACRONYMS USED

ADAMS	Agencywide Documents Access and Management Systems
CAAS	Criticality Accident Alarm System
CER	Certificate Event Report
CFR	Code of Federal Regulations
CMMS	Computerized Maintenance Management System
DNMS	Division of Nuclear Material Safety
DOE	Department of Energy
EE	Engineering Evaluation
IFI	Inspection Follow-up Item
NCS	Nuclear Criticality Safety
NCSA	Nuclear Criticality Safety Approval
NRC	Nuclear Regulatory Commission
OOT	Out-of-tolerance
PARS	Publicly Available Records
PCR	Plant Change Review
PERR	Public Electronic Reading Room
PIC	Pressure Indicating Controllers
PR	Problem Report
PSS	Plant Shift Superintendent
TSR	Technical Safety Requirements
UF_6	Uranium Hexafluoride
URI	Unresolved Item
USEC	United States Enrichment Corporation
VIO	Violation