

September 18, 1997

MEMORANDUM TO: L. Joseph Callan
Executive Director for Operations

FROM: John C. Hoyle, Secretary /s/

SUBJECT: STAFF REQUIREMENTS - SECY-97-187 - NMSS
POLICY AND PROCEDURES LETTER "PROCEDURE FOR
PREPARING THE ANNUAL REPORT TO CONGRESS ON
THE GASEOUS DIFFUSION PLANTS"

This is to advise you that the Commission has not objected to the proposed procedure for preparing the annual report to Congress on the gaseous diffusion plants subject to the following comments.

The time allowed for DOE and EPA consultation is very short, but the staff should ensure the draft report is forwarded to the Commission in time to allow the Commission two weeks to review and approve the Report before it is submitted to Congress. If this means forwarding the draft report to the Commission without DOE or EPA comments, it should do so and forward their comments, if any, as a supplement.

The section entitled "Certification Activities" in the FY 1997 report should be expanded to discuss NRC's current efforts to fulfill its statutory role as mandated by the USEC Privatization Act of 1996. Future annual reports will need to include a discussion of USEC's compliance with certain negative findings required by 42 U.S.C. 2243(f) before the NRC can issue or reissue a certificate of compliance to a privatized USEC. The report format should provide for an update on these findings since they must be made prior to subsequent recertifications.

The section entitled "Regulatory Activities" should be expanded to provide a brief status report on current NRC efforts to prepare for a potential license application for the Atomic Vapor Laser Isotope Separation (AVLIS) technology since the availability of AVLIS technology has the potential to impact gaseous diffusion plant operations and the maintenance of a

SECY NOTE: THIS SRM AND SECY-97-187 WILL BE MADE PUBLICLY AVAILABLE 5 WORKING DAYS FROM THE DATE OF THIS SRM.

reliable and economical domestic source of enrichment services. Such a discussion should be included in the cover letter transmitting the annual report to Congress rather than the report itself.

The following changes should be made on page 1-5 of the proposed Policy and Procedures Letter.

1. Under Event Reports, line 3, insert 'the adequacy and status of' after 'event and.'
2. Under Regulatory Activities, delete 'that are' and add at the end of the sentence 'that could impact GDP operations, the certification review, or the certificates of compliance.'
3. Under Determination and Compliance with Applicable Laws, line 3, insert 'and adequacy' after 'status.'

cc: Chairman Jackson
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
OGC
CIO
CFO
OCA
OIG
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)
PDR
DCS