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December, 6 2004
GDP 04-0071

Frank J. Congel
Director, Office of Enforcement
U.S. Nuclear Regulatory Commission
One White Flint North
11555 Rockville Pike
Rockville, Maryland 20852-2738

Paducah Gaseous Diffusion Plant (PGDP)
Docket No. 70-7001
Certificate No. GDP-1
NRC ADR 04-01 - Enhancements to the Safety Conscious Work Environment at the
Paducah Gaseous Diffusion Plant

Dear Mr. Congel:

In May 2003, United States Enrichment Corporation (USEC) received notice that a former USEC employee had filed a complaint with the Nuclear Regulatory Commission (NRC) alleging that a manager in USEC's Engineering department had discouraged a USEC contractor from hiring the former USEC employee because of the former employee's protected activities during the period of his employment with USEC at the Paducah Gaseous Diffusion Plant (PGDP). On November 22, 2004, as part of the NRC's pilot Alternative Dispute Resolution program, representatives of USEC met with you and members of your staff and an independent mediator in a confidential mediation session to explore a voluntary resolution of this matter.

Good faith, confidential discussions between the NRC and USEC culminated in an expeditious and mutually agreeable resolution. Even though the NRC will not issue a violation in this matter, USEC will take certain additional measures to continue to enhance the Safety Conscious Work Environment at the PGDP in addition to the actions USEC already took upon learning of the underlying allegation in May 2003 as summarized below. Specifically, USEC:

- Investigated the matter and determined that no violation of the NRC's regulations occurred.
- Provided the USEC contractor with a letter confirming that the former USEC employee who sought employment with the contractor is eligible to work at the PGDP as a contractor.
- Provided the former USEC employee a copy of the letter to ensure that he was aware of his eligibility for employment by the USEC contractor at the PGDP.
- Coached the USEC manager in the Engineering department about his responsibilities as a member of USEC management in maintaining a Safety Conscious Work Environment (SCWE) and his role and responsibilities in the hiring processes of USEC's contractors.
- Reinforced expectations with USEC managers in the Engineering department at the PGDP about their responsibilities as members of USEC management in maintaining a SCWE and their roles and responsibilities in the hiring processes of USEC's contractors.
- Conducted a special SCWE training session with the principal points of contact of those contractors who provide services to the USEC Engineering department at the PGDP.
- Conducted an assessment of the USEC contractor's employees to ensure that the contractor's employees were willing to raise safety concerns.

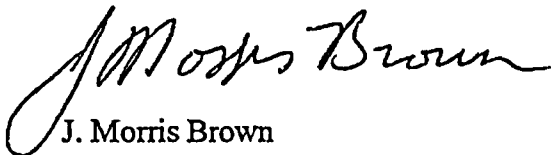
Although USEC believes that these actions were timely, appropriate, and effective, USEC agrees to take the following additional measures to enhance the Safety Conscious Work Environment at the PGDP. Specifically, USEC will:

- By no later than March 31, 2005, develop and conduct initial Safety Conscious Work Environment training for: (a) managers of USEC contractors at the PGDP; and (b) USEC personnel who are principal points of contact for USEC contractors at the PGDP.
- By no later than June 30, 2005, develop Safety Conscious Work Environment refresher training for the managers of USEC contractors at the PDGP and revise its training program requirements to conduct on-going refresher training at a frequency consistent with USEC's General Employee Training at the PGDP.
- By no later than June 30, 2005, revise its training program requirements to conduct initial Safety Conscious Work Environment training for: (a) new managers of USEC contractors at the PGDP; and (b) USEC personnel who become principal points of contact for USEC contractors at the PGDP, within ninety days of their assumption of these duties.

Mr. Frank J. Congel
December 6, 2004
GDP 04-0071, Page 3

USEC understands that the NRC will issue a confirmatory order memorializing the actions hereunder. Thank you for your cooperation in resolving this matter fairly and expeditiously.

Sincerely,

A handwritten signature in cursive script, reading "J. Morris Brown". The signature is written in dark ink and is positioned above the printed name.

J. Morris Brown

cc: D. Starkey, NRC-HQ