



May 31, 2006
GDP 06-0033

Mr. Jack R. Strosnider
Director, Office of Nuclear Material Safety and Safeguards
Attention: Document Control Desk
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

**Paducah Gaseous Diffusion Plant (PGDP)
Docket No. 70-7001, Certificate No. GDP-1
Discontinuation of a Regulatory Commitment**

Dear Mr. Strosnider:

On September 8, 1997, the United States Enrichment Corporation (USEC) submitted a revised response to Notice of Violation (NOV) 70-7001/97002-31. In that response, USEC committed to the following action for PGDP:

. . . USEC will institute periodic surveillances of the various functional organizational areas of responsibility to assess the adequacy of their implementation of the requirement/guidance of Classified Matter controls. These surveillances will be performed using the guidance/requirements of procedure CP2-QA-QS1031, "Conduct of Internal Surveillances". These surveillances will be performed by the Site, Facilities and Support Organization and may include members of the organizations being assessed. These surveillances will be scheduled such that each functional area will be assessed at least once every two years.

The intent of the periodic surveillances was to assess an organization's ability to control classified matter. The surveillances over the last five years have indicated an overall decline in the number of events as well as a change in the type of events that occur. The number of loggable events has decreased from a high of fifty-nine in 2000 to two events in 2005. Additionally, in general, the type of events has changed from the early mishandling of classified matter events to events involving legacy classification determinations. This decrease in loggable events and the change in types of incidents since 2001 demonstrate the site has been successful in implementing practices and training programs to improve the control of classified matter. Furthermore, each loggable security event is entered into a corrective action process to ensure that each event is appropriately evaluated and adequate corrective actions are implemented.

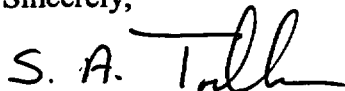
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In addition to the surveillances conducted by the Security organization, the Nuclear, Safety, and Quality Organization (NS&Q) conducts audits of the PGDP Security Program every four years. These audits are broad scope and cover the entire Security Program including the handling of classified matter.

Based on the overall decline in loggable security incidents, the successful implementation of training programs, and continued program assessments by NS&Q, USEC concludes the periodic surveillances are no longer necessary and has therefore discontinued the surveillances effective May 1, 2006.

If you have any questions regarding this matter, please contact Pat Jenny at (270) 441-6372.

Sincerely,

A handwritten signature in black ink, appearing to read "S. A. Toelle". The signature is written in a cursive style with a long horizontal stroke at the end.

Steven A. Toelle
Director, Regulatory Affairs

cc: G. Janosko, Chief, Fuel Cycle Facilities Branch
J. Henson, Chief, Fuel Cycle Branch 2, NRC Region II
M. Thomas, NRC Senior Resident Inspector – PGDP
D. Martin, NRC Project Manager – PGDP