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JE07

December 12, 1994

United States Enrichment Corporation
ATTN: Mr. Robert L. Woolley
Manager - Nuclear Regulatory Assurance and Policy
Two Democracy Center
6903 Rockledge Drive
Bethesda, MD 20817

SUBJECT: PADUCAH OBSERVATION REPORT 70-7001/94002 (DRSS)

Dear Mr. Woolley:

This refers to the routine safety observations conducted by Messrs. K. G. O'Brien, T. A. Beltz, and others of this office from July 31 through October 24, 1994, of United States Enrichment Corporation (USEC) activities at the Paducah Gaseous Diffusion Plant. Our observations were discussed with Mr. Steven Polston, Plant Manager, and members of his staff at the conclusion of the observation period.

Areas reviewed during the observation period are identified in the report. Within these areas, the activities consisted of selective examinations of procedures and representative records, interviews with personnel, and observations.

Based upon the areas observed, certain of the activities at the Paducah Plant appeared to indicate weaknesses in your processes for identification, assessment, and resolution of degraded and non-conforming conditions. Significant among these is a weakness in your process for communicating issues from the staff to the appropriate management level. This weakness appeared to delay and lessen your response to some of the issues identified during the observation period. Additional management attention and direction appears warranted.

In accordance with 10 CFR 2.790 of the Commission's regulations and the Department of Energy - Nuclear Regulatory Commission Memorandum of Understanding for the gaseous diffusion plants, a copy of this letter and the enclosed inspection report will be placed in the appropriate NRC Public Document Rooms. We have also provided the Department of Energy (DOE) a copy of this report for their review.

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Mr. Robert L. Woolley

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

Sincerely,

W. L. Axelson, Director
Division of Radiation Safety and Safeguards

Docket No. 70-7001

Enclosure: Observation Report
No. 70-7001/94002(DRSS)

cc w/encl: S. Polston, Paducah Plant Manager
D. I. Allen, Portsmouth Plant Manager
Portsmouth Resident Inspector Office

cc w/o encl: J. D. Jackson, DOE

bcc w/encl: PUBLIC (IE07)

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