

DCD/DCB
IE07

July 16, 1996

Mr. J. Dale Jackson
Regulatory Oversight Manager
United States Department of Energy
P. O. Box 2001
Oak Ridge, TN 37831

SUBJECT: PORTSMOUTH OBSERVATION REPORT 70-7002/96003(DNMS)

Dear Mr. Jackson:

Attached for your information and use is a cover letter addressed to Mr. J. H. Miller, USEC, and an observation report covering activities of the United States Enrichment Corporation at the Portsmouth Gaseous Diffusion Plant. The report contains routine safety and safeguard observations. Observation activities were conducted from April 30, 1996 through June 17, 1996. The report documents NRC observations during the period as a part of our mutual efforts to transition the regulatory oversight responsibility for these facilities from the Department of Energy to the Nuclear Regulatory Commission.

The results of our observations were discussed with your Site Safety Representatives (SSRs) and the USEC plant management throughout the observation period and during an exit meeting at the conclusion of the period. We are aware that you are tracking many of these issues as a part of your present regulatory responsibility and that you have communicated these and other issues to USEC through your recent monthly inspection reports.

We intend to formally transmit this report to the USEC within the next week.

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

Sincerely,

Original Signed By
K. G. O'Brien for
Gary L. Shear, Chief
Fuel Cycle Branch

Docket No. 70-7002

Enclosure: Observation Report
No. 70-7002/96003(DNMS)

See Attached Distribution

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Mr. J. Dale Jackson

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Distribution

cc w/o encl: Paducah Resident Inspector Office
Portsmouth Resident Inspector Office
J. H. Miller, USEC
S. A. Polston, Paducah General Manager
D. I. Allen, Portsmouth General Manager

bcc w/o encl: A. B. Beach, RIII
B. L. Burgess, RIII
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