

70-7002



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

October 13, 1998

Mr. James H. Miller  
Vice President, Production  
U. S. Enrichment Corporation  
2 Democracy Center  
6903 Rockledge Drive  
Bethesda, MD 20817

SUBJECT: PORTSMOUTH GASEOUS DIFFUSION PLANT: TRANSFER OF REGULATORY  
AUTHORITY OF HIGHLY ENRICHED URANIUM REFEED AREAS FROM THE  
DEPARTMENT OF ENERGY TO THE NUCLEAR REGULATORY COMMISSION  
(TAC NO. L32099)

Dear Mr. Miller:

This refers to your letter to the Nuclear Regulatory Commission (NRC) dated September 28, 1998, entitled "Notification that Department of Energy Regulated Activities in the X-326 Exclusion Zone are Complete," and the Department of Energy (DOE) letter dated September 30, 1998, entitled "United States Enrichment Corporation - Portsmouth Gaseous Diffusion Plant - Building X-326 Exclusion Zone Regulatory Authority."

In your September 28 letter, you indicated that you have completed all DOE regulated highly enriched uranium (HEU) refeed activities in the leased, but not certified, area known as the X-326 Exclusion Zone. DOE, in its September 30 letter, recommended transfer of regulatory authority for this area to the NRC. DOE also identified four open issues that could impact NRC's regulation, and recommended transfer of their closure responsibility to the NRC. The open issues involve: (1) nuclear criticality safety (NCS) controls for the Exclusion Zone areas to be specified in fire fighting precautions to be completed by October 9, 1998, (2) inclusion of High Assay Sampling Area operation descriptions and controls in the X-326 Nuclear Criticality Safety Approvals (NCSAs) to be completed by October 23, 1998, as part of the site-wide NCS Corrective Action Plan, (3) an inconsistency between two NCSAs regarding the storage of pigtails (capping ends versus bagging) in the Product Purification Area for which a corrective action plan will be prepared by October 6, 1998, and (4) corrective actions regarding a violation dealing with absence of an NCS interaction calculation for storage of pigtails adjacent to the north wall of the Product Purification Area to be completed by June 22, 1999.

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October 13, 1998

Based on USEC's certification that the X-326 Exclusion Zone meets all applicable NRC requirements (excluding the four open issues identified above) and Fundamental Nuclear Material Control Plan commitments and that converting the X-326 Exclusion Zone to NRC regulation will not result in USEC possessing (across all leased and NRC-regulated areas) SNM of either moderate or high strategic significance, and based on DOE's recommendations that regulation of the Exclusion Zone along with four open issues (identified above) be transferred to the NRC, the NRC staff has no objections at this time regarding the transfer of regulation of the X-326 Exclusion Zone from DOE regulation to NRC regulation. The transfer will become effective at 12:01 am on the day following the date of this letter. If you have any questions regarding this matter, please contact Yawar Faraz at (301) 415-8113.

Sincerely,

(Original signed by M. Knapp for)

Carl J. Paperiello, Director  
Office of Nuclear Material Safety  
and Safeguards

Docket 70-7002  
Certificate GDP-2

cc: Mr. Randall DeVault, DOE-OR  
Mr. Morris Brown, PORTS  
Mr. Steven Toelle, USEC

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Mr. James H. Miller

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