



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

June 27, 1997

Mr. J. H. Miller  
Vice President - Production  
United States Enrichment Corporation  
Two Democracy Center  
6903 Rockledge Drive  
Bethesda, MD 20817

SUBJECT: PORTSMOUTH INSPECTION REPORT 70-7002/97-203

Dear Mr. Miller:

This refers to the Nuclear Criticality Safety (NCS) inspection by members of the Headquarters staff conducted on April 28 to May 2, and May 27 to 30, 1997, at your Portsmouth, Ohio facility. The purpose of the inspection was to determine whether activities authorized by your certificate were conducted safely and in accordance with NRC requirements. At the conclusion of the inspection, the findings were discussed with those members of your staff identified in the report (Enclosure 1).

Areas examined are identified in the enclosed report. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with plant personnel, and observation of activities in progress. Within the scope of the inspection, it was determined that you had made substantial progress in the development and implementation of a generally effective criticality safety program. However, three violations were identified, as described in Enclosure 2, Notice of Violation (Notice).

The first violation involved multiple failures to comply with administrative criticality controls specified in various NCS approvals. Although each example was not significant in itself, the violation is of more than a minor concern because of your reliance on the use of administrative controls, as opposed to engineered controls, and because there is no evidence that there is a positive trend in your performance for this area. The second violation involved the use of computer codes for calculating safety margins for enrichments of up to 20% without justification that the results were bounded by the validation report. This violation is of particular concern because it involved three different calculations that were performed and peer reviewed by several different NCS analysts. The third violation involved the failure to identify NCS safety boundary components and systems needed to assure criticality safety as AQ-NCS items. This violation is being cited because you were required by Compliance Plan Issue 23 to perform a review of all NCS approvals to identify and document the designated design requirements and system boundaries, including support systems required for the performance of the intended safety function, by December 31, 1996. Each of the three violations were identified by the NRC.

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In addition to the above, several non-cited violations and program weaknesses were noted in the inspection report. These weaknesses, for the most part, were already self-identified through your self-assessment and surveillance programs in the February - April 1997 time frame, or as a result of your review of inspection findings at your Paducah GDP Site. Several of our inspection findings and observations can be considered additional examples of those self-identified problems. Since you are still in the process of evaluating the root causes and determining the long term corrective actions, no other regulatory action is planned at this time. However, you are requested to provide us with your evaluation of the findings of the two external audits, the planned corrective actions, interim compensatory measures, and the schedule for implementation.

You are required to respond to this letter and should follow the instructions in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. Your response may reference or include previous docketed correspondence, if the correspondence adequately addressed the required response. After reviewing your response to the Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with the NRC's "Rules of Practice," a copy of this letter and its enclosure will be placed in the NRC Public Document Room. Should you have any questions concerning this inspection, we would be pleased to discuss them with you.

Sincerely,  
(Original signed by W. Schwink for)  
Philip Ting, Chief  
Operations Branch  
Division of Fuel Cycle Safety  
and Safeguards, NMSS

Docket No. 70-7002

Enclosures: As stated

cc w/enclosures:

D. I. Allen, Portsmouth General Manager  
R. W. Gaston, Portsmouth Regulatory Affairs Manager  
S. A. Polston, Paducah General Manager  
W. E. Sykes, Paducah Regulatory Affairs Manager  
R. M. De Vault, DOE

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