

July 2, 1998

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

SUBJECT: NRC INSPECTION REPORT 70-7002/98007(DNMS) AND NOTICE  
OF VIOLATION

Dear Mr. Miller:

On June, 8, 1998, the NRC completed a routine inspection at your Portsmouth Gaseous Diffusion Plant. The enclosed report presents the results of that inspection. The results of our inspection over a seven-week period covered by the enclosed report indicate that the conduct of activities at your Portsmouth Gaseous Diffusion Plant was generally adequate.

Based upon the results of the inspection the NRC has determined that violations of NRC requirements occurred. The violations are cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding the violations are described in detail in the enclosed report. The first violation involved a failure to have adequate administrative controls in place during the conduct of a maintenance activity. The second violation involves a failure to meet Technical Safety Requirements during an autoclave mode change. Together, the violations are a concern because they indicate continued problems with the overall conduct of your operations.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosures, and your response will be placed in the NRC Public Document Room.

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PDR ADOCK 07007002  
C PDR

J. Miller

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

Sincerely,

Original Signed by

Patrick L. Hiland, Chief  
Fuel Cycle Branch

Docket No. 70-7002  
Certificate No. GDP-2

Enclosures: 1. Notice of Violation  
2. Inspection Report 70-7002/98007(DNMS)

cc w/encls: J. M. Brown, Portsmouth General Manager  
D. B. Waters, Acting Manager, Portsmouth Regulatory Affairs  
H. Pulley, Paducah General Manager  
S. A. Toelle, Manager, Nuclear Regulatory  
Assurance and Policy, USEC  
Portsmouth Resident Inspector Office  
Paducah Resident Inspector Office  
R. M. DeVault, Regulatory Oversight Manager, DOE  
E. W. Gillespie, Portsmouth Site Manager, DOE

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