



Department of Energy

Oak Ridge Operations
Post Office Box 62
Oak Ridge, Tennessee 37831-8651
August 4, 1998

70-7002

Dr. Malcolm R. Knapp
Acting Director, Office of Nuclear
Material Safety and Safeguards
U. S. Nuclear Regulatory Commission
Washington, D.C. 2055-0001

UNITED STATES ENRICHMENT CORPORATION - PORTSMOUTH GASEOUS DIFFUSION PLANT - BUILDING X-705 SOUTH ANNEX REGULATORY AUTHORITY

The purpose of this letter is to notify the Nuclear Regulatory Commission (NRC) that the Department of Energy (DOE) is ready to transfer regulatory authority for the South Annex of Building X-705 at the Portsmouth Gaseous Diffusion Plant (PORTS).

By letter dated July 28, 1998, to you from Mr. Steven A. Toelle, United States Enrichment Corporation (USEC), notification was provided that USEC has completed activities in the X-705 South Annex that were performed under the regulatory authority of DOE. Based upon DOE's review of USEC's notification and the USEC security sweep of the South Annex, DOE is ready to transfer regulatory authority back to NRC. Please provide written notification regarding NRC's acceptance of the South Annex and the date of transfer for regulatory authority.

There is one open issue related to DOE's recent regulation of the X-705 South Annex that is currently under review. This open issue relates to the replacement of the wrong valve in a 5-inch Highly Enriched Uranium cylinder. As such, this issue does not impact the transfer of regulatory authority for the South Annex from DOE to NRC.

Please contact me at (423) 576-0802, if there are any questions or comments related to this request.

Sincerely,

Randall M. DeVault
Regulatory Oversight Manager
Office of Assistant Manager
for Enrichment Facilities

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Dr. Malcolm R. Knapp

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August 4, 1998

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