

June 15, 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 70-7001/98010(DNMS)

Dear Mr. Miller:

On May 22, 1998, the NRC completed a routine maintenance and surveillance, training, and environmental protection inspection at your Paducah Gaseous Diffusion Plant. The purpose of the inspection was to determine whether activities authorized by the certificate were conducted safely and in accordance with NRC requirements. At the conclusion of the inspection, the inspector discussed the findings with members of your staff as identified in the enclosed report.

Areas examined during the inspection are identified in the report. Within these areas, the inspection consisted of a selective examination of procedures and representative records, interviews with personnel, and observations of activities in progress. One violation of NRC requirements was identified.

The violation is cited in the enclosed Notice of Violation and the circumstances surrounding the violation are described in detail in the enclosed report. The violation identified a weakness in the ability of a safety system component to meet the intent of the Design Feature statement in your Technical Safety Requirements. However, due to your prompt and comprehensive corrective actions to quickly address and resolve the design issues, as documented in NRC Inspection Reports 70-7001/97012 and 70-7001/98002, no response for this violation is required.

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

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PDR ADOCK 07007001
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We will gladly discuss any questions you have concerning this inspection.

Sincerely,

Original Signed by

Patrick L. Hiland, Chief
Fuel Cycle Branch

Docket No. 70-7001
Certificate No. GDP-1

Enclosures: 1. Notice of Violation
2. Inspection Report 70-7001/98010(DNMS)

cc w/encls: S. A. Polston, Paducah General Manager
L. L. Jackson, Paducah Regulatory Affairs Manager
J. M. Brown, Portsmouth General Manager
S. A. Toelle, Manager, Nuclear Regulatory Assurance
and Policy, USEC
Paducah Resident Inspector Office
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R. M. DeVault, Regulatory Oversight Manager
J. C. Hodges, Paducah Site Manager, DOE

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