

October 10, 1997

MEMORANDUM L. Joseph Callan
TO: Executive Director for Operations
FROM: John C. Hoyle /s/
SUBJECT: STAFF REQUIREMENTS - SECY-97-194 - MEMORANDUM OF UNDERSTANDING BETWEEN THE NUCLEAR REGULATORY COMMISSION AND THE DEPARTMENT OF ENERGY ON COOPERATION REGARDING THE GASEOUS DIFFUSION PLANTS

This is to advise you that the Commission has not objected to the proposed Memorandum of Understanding (MOU) subject to the following comments.

1. On page 1, the background section should be expanded to briefly explain the lease agreement between DOE and USEC since the term "leased space" is used subsequently without explanation. Also, in paragraph 1, line 15, replace 'the U.S. Enrichment Corporation' with 'USEC.'
2. On page 2, paragraph 1, line 5, replace 'after NRC assumes' with 'now that NRC has assumed.' Consider inserting a new paragraph D as follows: 'NRC re-certification of the GDPs is in part conditioned upon USEC compliance with all terms and conditions of the NRC certificate of compliance.' Change 'D' to 'E' in the next paragraph.
3. On page 3, item 3, line 1, insert 'the following: a.' after 'notify DOE of' and capitalize the 's' in 'substantial.' Insert the following as items 3.b. and 3.c.:
 - b. Substantial changes to the conditions or terms of the NRC certificate of compliance issued to USEC.
 - c. Substantial changes to USEC's compliance with the conditions or terms of the certificate of compliance issued to USEC.

Insert a new item 4 as follows: 'NRC will consult with DOE on health, safety and environmental issues at the GDPs when preparing the required annual report to Congress on the GDPs.' Renumber items 4, 5, and 6 as 5, 6, and 7 respectively.

4. On page 4, paragraph C.1., line 2, delete the 'a' after 'there is.' In line 3, add an 's' to 'feature.' At the end of paragraph C.2., add: 'If the NRC identifies situations with immediate safety, safeguards, or security significance, it will immediately communicate this information to USEC and the DOE Site Manager.'
5. On page 5, paragraph V.B., line 3, remove the comma after 'Chief.' Insert a new item, V.C. as follows: 'If the issue can not be resolved at the staff level, the NRC and DOE agree to refer the matter within 30 days to the Assistant Manager for Enrichment Facilities, Oak Ridge Operations Office, DOE and the Director, Division of Fuel Cycle Safety and Safeguards, Office of Nuclear Material Safety and Safeguards, NRC.'

The staff should inform the Commission if, as a result of experience, it determines that the MOU needs revision.

cc: Chairman Jackson
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
OGC
CIO
CFO
OCA
OIG
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)
PDR
DCS

SECY NOTE: THIS SRM AND SECY-97-194 WILL BE MADE PUBLICLY AVAILABLE 5 WORKING DAYS FROM THE DATE OF THIS SRM.