

USEC and DOE Agreement for DOE Material Storage at the Gaseous Diffusion Plants

Background

Department of Energy (DOE) materials have been stored in parts of several buildings and areas currently leased by the United States Enrichment Corporation (USEC) at both gaseous diffusion plants (GDPs).

At the request of USEC, pursuant to Section 3.4(b) of the Lease, DOE agrees to reduce the leasehold as necessary to accommodate the storage of DOE material/equipment. USEC will assume the financial and physical responsibility for, to the extent required by the Nuclear Regulatory Commission (NRC), 1) completing the necessary visual inspections to identify enriched uranium deposits, 2) segregating equipment containing identified deposits; 3) establishing and maintaining the required boundaries identified in this agreement, and 4) maintaining the necessary documentation to support these commitments.

Since the DOE formerly leased storage areas will not be leased to USEC, they are not subject to 10 CFR Part 76 requirements and NRC regulation. Additionally, activities within these areas (e.g. inspections and surveys) will conform to DOE requirements and are not subject to becoming a Compliance Plan item.

Premises

The following premises support the proposed resolution of DOE material storage:

1. This joint USEC and DOE agreement for DOE material storage does not modify, amend, or alter in any way the Lease Agreement between USEC and DOE for the GDPs, or any memoranda of agreement, or any other agreement between USEC and DOE. Exhibit A to the Lease Agreement will be modified to reflect which areas of USEC formerly leased space will now be listed as DOE space.
2. DOE activities conducted in formerly leased storage locations, including ingress and egress both within and external to the leased buildings, will be managed in accordance with applicable DOE requirements. This includes DOE personnel and their contractors/subcontractors. DOE assumes full responsibility for the safety, safeguards, and security of DOE activities.
3. All fixed asset equipment (columns, piping, electrical, etc.) located in or traversing formerly leased space (within the confines of the cascade buildings or any other leased building) remain the responsibility of USEC. All activities related to fixed asset equipment will be subject to NRC regulation. This includes USEC personnel and their contractors/subcontractors. USEC assumes full responsibility for the safety, safeguards, and security of USEC activities.

DOE Material Storage Controls

The following controls will be established to ensure safe storage is maintained in those areas designated for DOE material storage.

1. Location of DOE Material/Equipment Formerly Leased Storage Areas

DOE material and equipment that is either contaminated or potentially contaminated with radioactivity, or contains uranium bearing material (i.e., process equipment, low-level radioactive waste, hazardous (TSCA) waste contaminated with uranium, uranium tetrafluoride [UF₄], etc.) will be physically located on property that is formerly leased by USEC. If this storage is within USEC leased buildings, the floor area directly supporting the material and out to the DOE/USEC formerly leased storage area boundary will be under the control of DOE. The boundary will be clearly marked through the use of ropes, dikes, and/or painted lines; and will also be marked with signs.

If the material storage area is located outside of USEC leased buildings, then the ground supporting the material is under the control of DOE and will be an area formerly leased by USEC. Boundaries are required for these areas that contain non-containerized materials, and may be used to mark containerized material areas. Signs shall be used to identify the areas. Boundaries are not required for containerized material areas and, as an alternative, the containers may be labeled as DOE.

The location and boundaries of DOE formerly leased material storage areas will be determined and established prior to certification, or addressed as a Compliance Plan activity. Establishment of new and/or the relocation of existing DOE storage areas within USEC leased buildings after NRC assumes regulatory oversight will be coordinated among DOE, NRC, and USEC.

2. Protection of DOE Equipment That Contains Uranium Deposits

Process equipment designed to contain UF_6 (i.e., compressors, converters, pipes, and valves, etc.) in DOE formerly leased storage areas will be inspected for visible deposits (does not include surface contamination) of enriched uranium bearing material. The purpose of this inspection is to ensure that the equipment does not contain uranium deposits that could be easily retrieved without the use of special equipment. The inspection will consist of a visual check of the exterior and interior (if accessible) of the applicable equipment. Dismantling the equipment for inspection is not required.

If equipment is found to contain visible deposits of enriched uranium bearing materials, the equipment will be secured by a physical barrier. For man-portable equipment, this barrier shall consist of a locked barrier around or within the DOE formerly leased storage area (i.e., locked gate, fence, wall, etc.). For non-portable equipment it could be a barrier affixed to the opening of the equipment. Like other DOE equipment, this equipment will also be located within a clearly marked area which was formerly leased by USEC.

3. Maintenance of DOE Material/Equipment Formerly Leased Storage Areas

DOE will ensure that DOE formerly leased storage areas are maintained in accordance with DOE requirements. DOE will evaluate planned and unplanned disturbances 1) to ensure no significant risk impact on USEC's NRC-regulated space, and 2) in accordance with DOE requirements for impact on DOE space. DOE will prohibit disturbances of formerly leased storage areas, except as necessary to conduct decontamination or consolidation to maintain or improve safe storage conditions, or to remove material/equipment from the buildings. USEC will be responsible for maintaining the boundary and activities required by NRC at the boundary (i.e., radiation surveys, etc.).

USEC is allowed access to the DOE storage areas to conduct essential plant operations, to conduct DOE authorized work on stored material/equipment, and to respond to emergencies. If USEC access results in the unauthorized disturbance of DOE material/equipment, DOE will be immediately notified by USEC.

4. Limitations on the Addition of New DOE Materials/Equipment

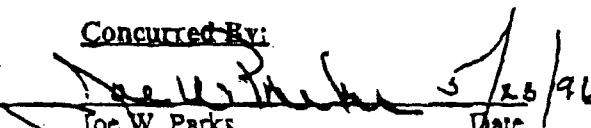
Addition of materials to the formerly leased storage areas will be limited to properly characterized TSCA waste generated onsite. In the event an unforeseen situation arises that requires addition of material/equipment to the formerly leased storage area other than properly characterized TSCA waste, the addition will be coordinated between DOE, USEC and NRC.

USEC can not add to these areas without express written DOE permission.

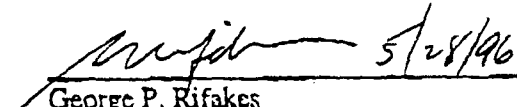
5. Transfer of Material/Equipment

It may be necessary for USEC to transfer equipment and/or material out of a DOE formerly leased storage area for USEC's use after NRC commences regulation. Transfers are contingent upon USEC performing the following: 1) obtaining DOE approval, 2) measuring the uranium content of the material/equipment through Non-Destructive Assay (NDA), 3) issuing an NRC Form 741 for the transfer of nuclear material (if applicable), and 4) notifying the NRC site resident prior to movement of the material/equipment into leased space.

Concurred By:


Joe W. Parks
Department of Energy
Assistant Manager for
Enrichment Facilities

Date


George P. Rifakes
United States Enrichment Corporation
Executive Vice President

Date

DOE Material Storage Areas

Memorandum of Agreement Between DOE and USEC Regarding Released Material Storage Areas (DMSA)

DOE and USEC will develop a prioritization plan by January 17, 1997, that will detail a schedule of USEC activities to be performed at USEC's expense including:

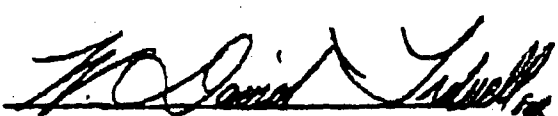
1. Dismantling and removing fixed process equipment located in or traversing USEC leased buildings so long as removal will not require shut down of any USEC operations.
2. Conformance with reasonable DOE waste acceptance criteria, not to be more restrictive than that of typical commercial facilities.
3. Consolidation of materials with other DOE areas.
4. Leasing areas back after materials are consolidated into other DOE areas.

USEC shall perform the following activities at USEC expense on or before March 3, 1997:

1. Each DMSA shall be assigned a unique identification number. USEC shall provide an inventory to DOE of the type and approximate quantity of each DMSA (both indoor and outdoor locations). DOE and USEC shall agree on inventory.
2. DOE shall make available its landfill and scrap yards for USEC waste.

General conditions:

1. Any contamination, lube oil leaks, water leaks, or other intrusion into the DMSAs by USEC shall be cleaned-up/repared within 24 hours by USEC.
2. Resolution and closure of open issues shall be resolved as determined by the January 17, 1997, plan.
3. DOE shall verify DMSA inventory upon completion of the inventory.
4. Any unresolved movement of material by USEC into DMSA without DOE concurrence shall result in DOE notification of the action to NRC.
5. DOE and USEC agree that DMSAs, as identified on engineering drawings CSE-19601-A01 through CSE-19601-All, are returned to DOE control and oversight.


Jimmie C. Hodges
DOE Site Manager


Steve Polston
USEC Representative

12-3-96
Date



Department of Energy

Oak Ridge Operations
Post Office Box 62
Oak Ridge, Tennessee 37831

8651

August 12, 1997

Mr. George P. Rifakes
Executive Vice President
United States Enrichment Corporation
2 Democracy Center
6903 Rockledge Drive
Bethesda, Maryland 20817

Dear Mr. Rifakes:

PADUCAH AND PORTSMOUTH GASEOUS DIFFUSION PLANTS CONFIGURATION CONTROL OF EXHIBITS A AND B TO THE LEASE AGREEMENT BETWEEN THE UNITED STATES ENRICHMENT CORPORATION AND THE DEPARTMENT OF ENERGY

Please find enclosed documentation that defines our intentions and implementation methodology to ensure configuration control of the Lease Exhibits A and B and their associated drawings. I believe it is prudent to document our management expectations to ensure that our personnel and support personnel have access only to those documents reflecting our most recent agreements.

The enclosed document represents both your concurrence and my concurrence of these directives and expectations.

If you have any further questions or comments, please contact me at (423) 576-0892.

Sincerely,

A handwritten signature in dark ink, appearing to read "Joe W. Parks".

Joe W. Parks
Assistant Manager
for Enrichment Facilities

Enclosures

cc's on Page 2.

George P. Rifakes

-2-

August 12, 1997

cc w/enclosures:

J. C. Hodges, EF-22, C-103, PAD

E. W. Gillespie, EF-21, PORTS

R. M. DeVault, EF-20/OSTI

LEASE EXHIBITS A AND B CONFIGURATION CONTROL DIRECTIVES

BACKGROUND

Pursuant to the Energy Policy Act of 1992, the Department of Energy (DOE) has leased portions of the Paducah and Portsmouth Gaseous Diffusion Plants to the United States Enrichment Corporation (USEC). DOE agrees, in its role as landlord, to maintain the controlled copy of the Lease, comprising the lease language, Exhibits A through F, the Building Lease Status drawings, the DOE Material Storage Agreements (DMSA), and the associated DMSA drawings. Configuration control is required for Exhibit A, Exhibit B, the DMSAs (which are supplements to Exhibit A), and their respective drawings. This set of documents is defined for this directive as the Lease Configuration Control Documentation. This directive shall apply only to the Lease Configuration Control Documentation.

CONTROL AND DISTRIBUTION

DOE-ORO will maintain the master data file that comprises the latest revision of the Lease Configuration Control Documentation. Both the hardcopy and the electronic media versions will derive their input from this master.

DOE-ORO will supply hardcopies to USEC and each site's DOE Site Manager.

DOE-ORO will supply the electronic media version as follows:

- * The medium used for distribution from DOE-ORO will be via compact disc-read only (CD-ROM).
- * DOE-ORO will send controlled copies of the electronic media version to USEC. USEC will forward copies to LMUS at each respective site.
- * DOE-ORO will also send controlled copies to each DOE Site Manager for distribution to each site's LMES organization.
- * Both LMES and LMUS Document Control will ensure that the CD-ROM is maintained in their control center as the controlled electronic media site copy and also ensure that any CD-ROM version(s) in existence, which are not the latest issue, are returned to DOE-ORO and USEC respectively.
- * Both LMES and LMUS will ensure that the CD-ROM is loaded into their network server.
- * These controls ensure that all personnel will have accurate and ready access to a controlled copy of the buildings, areas, and structures which are leased to USEC, owned by USEC, or retained by DOE.
- * Both LMES and LMUS will enter the Building Lease Status and DMSA drawings into their respective document control systems at each site. Revisions to these drawings will be performed per the change control procedures at each respective site. It is important to note that the drawings will be revised by DOE-ORO as approved by USEC and DOE-ORO prior to completion of the

change control process. Each organization will revise their change control procedures to address these requirements. Potential discrepancies or errors observed in the documentation shall be reported.

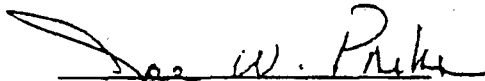
The format of the Building Lease Status drawings and the DMSA drawings have been modified to assist in configuration control as follows:

- * Signature blocks for DOE-ORO and USEC management approval have been added.
- * The present drawing numbers have been replaced with drawing numbers specific to each respective site (assigned by each respective site's LMES organization).
- * The building lease map drawings reference the currently approved revision level of the Lease Exhibit A which is the map's main input. The DMSA drawings reference the currently approved agreements between DOE and USEC.

Nothing in this directive shall be construed as modifying the Lease or any exhibits thereto.

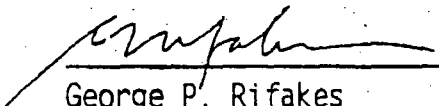
Subsequent documentation will address Exhibit B.

CONCURRED BY:



Joe W. Parks
Department of Energy
Assistant Manager for
Enrichment Facilities

8/11/97
Date



George P. Rifakes
United States Enrichment Corporation
Executive Vice President

8/25/97
Date