

**Department of Energy**

Washington, DC 20585

February 5, 1997

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DNF SAFETY BOARD

The Honorable John T. Conway
Chairman
Defense Nuclear Facilities Safety Board
625 Indiana Avenue, N.W.
Suite 700
Washington, D.C. 20004

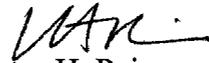
Dear Mr. Chairman:

The Department's April 9, 1996, letter to the Board responded to their concerns over the in-process highly enriched uranium (HEU) materials stored in Building 9212, at the Oak Ridge Y-12 Plant. The letter also described the operational upgrades which are now in progress in anticipation of restart of enriched uranium operations (EUO), and the Department's intention to conduct an HEU vulnerability assessment. The site assessment work was completed in August 1996. Reports were prepared for each site, and an overall summary report was released by the Secretary on January 15, 1997. The assessment identified a total of 155 vulnerabilities, 21 of which were classified as "most significant" for the Department of Energy complex. Of these most significant vulnerabilities, four are associated with Building 9212 at the Y-12 Plant. Additionally, Building 9212 was classified as one of ten "most vulnerable" facilities of the total 175 facilities assessed. The results of the assessment have given the Department added reason to increase its determination to restart EUO with the intent of resuming enriched uranium processing in conjunction with other programmatic priorities. The vulnerability assessment report discusses the issues at Y-12, and supersedes our response to the Board dated April 9, 1996. The management plan/corrective actions are being prepared.

In the interim, the Office of Defense Programs has been assigned the lead to prepare a management plan for remediation of all the Department's HEU vulnerabilities and track the corrective actions to closure. The vulnerabilities at the Y-12 Plant, particularly those in Building 9212, will receive continued attention. I have enclosed a copy (Enclosure 1) of the assessment report which details the results and conclusions for the entire assessment, of which the Y-12 Plant was a part. Additionally, I have enclosed a copy (Enclosure 2) of the November 20, 1996, memorandum from Mr. Seitz to Mr. Hall, which requests a plan for the management of HEU materials at the Y-12 Site. A copy of the management plan dealing with the identified vulnerabilities and for the in-process materials will similarly be transmitted when they are issued.

If you have any questions, please contact me or have your staff contact Phil Aiken at 301-903-4513 of my staff.

Sincerely,



Victor H. Reis
Assistant Secretary
for Defense Programs

2 Enclosures

cc w/o enclosures:
T. Grumbly, US

TAB

ENCLOSURE 1

Enclosure 1 is the assessment report which details the results and conclusions for the entire assessment of which the Y-12 Plant was a part of. (The assessment report is a large file box, and is being held in DP-24; per your request, it can be readily available to you.)

TAB

United States Government

Department of Energy

memorandum

DATE: November 20, 1996
REPLY TO: DP-24 Dunsworth:3-5156
ATTN OF:
SUBJECT: PLAN FOR MANAGEMENT OF HIGHLY ENRICHED URANIUM MATERIALS

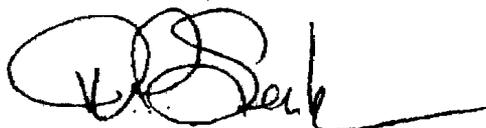
TO: Manager, Oak Ridge Operations Office

Since the suspension of nuclear operations at Y-12 in September 1994, Y-12 has made little progress in reducing the large inventory of in-process highly enriched uranium (HEU) materials. Until recently, it was not known which processing capabilities would be available, and on what schedule. With completion of planning for resumption of enriched uranium operations, it is time to develop a plan for managing and reducing the inventory of in-process materials. Because most of Y-12's HEU processing capabilities have not yet been restarted, it is recognized that the plan cannot provide detailed schedules, but the plan should indicate a clear sense of direction for management of the HEU in-process inventory.

In a letter from Mr. Gustavson to Mr. Spence, dated October 2, 1996, Lockheed Martin Energy Systems identifies material types which require processing, and outlines a plan for resumption of necessary processing capabilities primarily for mission activities. However, this plan does not prioritize subsequent processing activities when all enriched uranium operations come on-line in 1999 based on factors such as potential safety and health consequences, production requirements, storage requirements, or disposition of surplus materials. In addition, consideration should be given to adjustment of economic discard limits, because it is likely that a portion of the backlog can be eliminated through revision of these limits without any processing. The plan will be more useful when revised to include this information.

The plan will aid in budget development as well as demonstrate that the Department has a clear path forward to recover this material while maintaining facility safety and meeting production commitments. The plan should indicate recovery/disposition activities that are currently under way, priorities for processing the backlog of in-process materials as recovery capabilities are restarted, and a commitment to study and revise, as necessary, economic discard limits.

Please provide to me an in-process materials plan based on the factors discussed above by January 10, 1997. The plan must support identified production requirements while maintaining or, if needed, improving Y-12's safety posture. My staff is available to answer any questions regarding this request. If you have any questions, please contact me or have your staff contact Phil Aiken at (301) 903-4513 or Dale Dunsworth at (301) 903-5156 of my staff.

A handwritten signature in black ink, appearing to read 'T. Seitz', with a long horizontal line extending to the right.

Thomas P. Seitz
Deputy Assistant Secretary for
Military Application and
Stockpile Management
Defense Programs

cc:

R. Dempsey, OR

R. Spence, Y-12 Site

DP-24:Dunsworth:mdj:3-5156:11/6/96:nproces1.y12

Distribution:

- so: Addressee
- 1bcc: DASMASM File
- 1bcc: DP-20 Reader
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- 1bcc: Newton, DP-22
- 1bcc: DP-24 Reader
- ✓ 1bcc: Aiken, DP-24
- 1bcc: Dunsworth, DP-24

DPMTS: 9600034921
 Due Date: 11/8/96

DP-24 Correspondence Reviewer: MDJ 11/7/96
 DP-20 Correspondence Reviewer: JA 11/18
 DP-20 Executive Assistant Review: JA 11/19

DP-24	DP-24	DP-24	DP-24	DP-22	DP-22
<u>DRD</u>	<u>JA</u>	<u>JA</u>	<u>JA</u>	<u>JUN</u>	<u>ROH</u>
Dunsworth	Aiken	Johnson	Rhoades	Newton	Hahn
11/7/96	11/7/96	11/7/96	11/15/96	11/10/96	11/14/96

DP-20.1	DP-20
Brown	Seitz
11/ /96	11/ /96

JA
 feather
 11/20/96

Concurred with
 comments - agreed
 to by Dale D