

Uranium Enrichment News

Volume 1

SPECIAL ISSUE 1994

Number 13

Timbers visits plants to celebrate anniversary



Paducah OCAW Local 3-550 President David Fuller; USEC President and CEO William H. Timbers; and OCAW Maintenance Committeeman Bill Harrison pose after one of Timbers' employee information sessions held during the July plant visit.

While increased production and lower costs are key to the short-term viability of the uranium enrichment business, AVLIS technology is essential in the long-term, according to United States Enrichment Corporation President and Chief Executive Officer William H. Timbers. His remarks came during a series of employee meetings that were held at the Portsmouth and Paducah plantsites, and at USEC headquarters in Bethesda to mark the Corporation's first anniversary in July. Attempting to reach a cross-section of employees, four sessions covering different shifts were scheduled at each plant, and one session was held at headquarters.

In referring to the Corporation's first year, Timbers noted that USEC had made significant progress in finding different ways to economize while increasing productivity.

"It's been a very active year," Timbers said. "We have instilled commercial values and approaches to this business."

He commended the plants for the record production of 621,000 SWUs in May at Paducah. "That's a measure of what can be done."

"Portsmouth has done a good job as well," said Timbers, "by increasing the efficiency of their cells and their power utilization."

Timbers encouraged the plants to continue their efforts to increase productivity and reduce costs. "We're doing our part in marketing, and I am asking you to do your part to keep costs down to operate the

facilities as efficiently as possible," he said.

He acknowledged the rivalry that exists between the plants and dismissed it. Sharing his perspective, he said, "I look at this as one business with two plants...I look at total company SWU cost, total company power utilization."

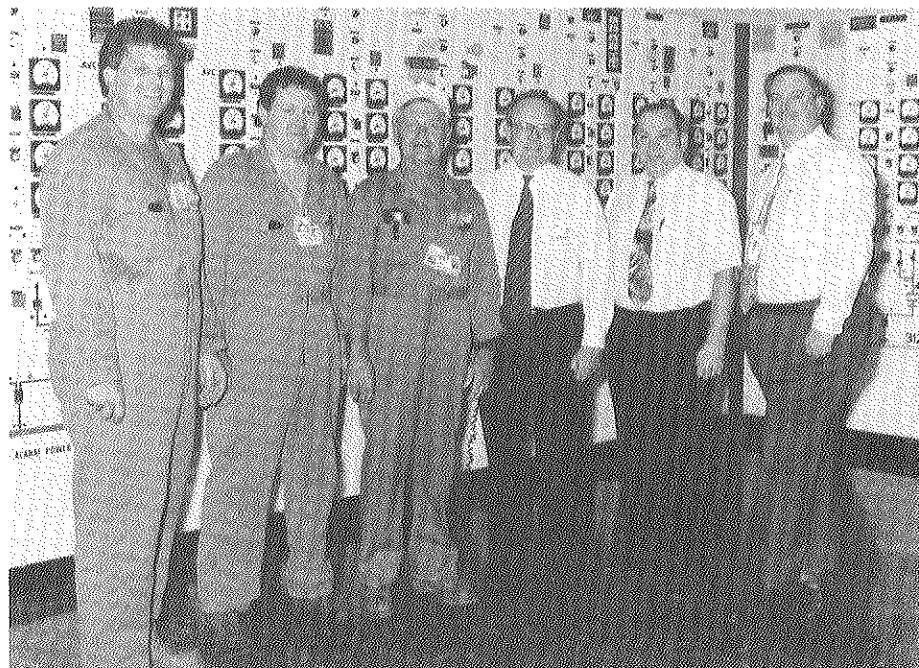
He also said working together will benefit the plants as they prepare for certification by the Nuclear Regulatory Commission. "Doing things the same way at both sites makes sense in terms of our future environment."

"Since we operate in a very competitive environment," he said, "bringing costs down is a central element to the success of this Corporation." Timbers pointed out that the uranium enrichment market is characterized by a fifty percent over-capacity of supply versus demand.

"Accordingly, for us to be successful, and we are absolutely committed to being successful in this market," he said, "we need to be able to price at a level to beat the pants off our competitors."

Pricing, according to Timbers, is pivotal in securing new contracts for the Corporation. He indicated that 80 percent of the open demand in the next five years will be in the United States.

"Bringing down costs will allow us to bring down prices, win new contracts, make additional sales, and beat the competition," Timbers added that USEC has more than 14 active negotiations going on with customers.



While visiting the Portsmouth Plant, Timbers visited the X-333 Process Building. Shown in the Area Control Room are Dave Fosson, Dave Osborne, Leroy McNelly, Timbers, Portsmouth Plant Manager Dale Allen and USEC Site Director Lee Fink.

"As we bring our price down," he added, "we have to be sure to bring our costs down so we remain competitive and profitable."

"The long-term viability of this business is based on maintaining the most effective production of SWUs possible," Timbers said. "One key element in determining this is AVLIS."

Timbers explained how, as the plants near the end of their life cycle, it will benefit the Corporation to have newer technology online to maintain a reliable supply of enrichment services for the future. "We want to be in a position," he said, "to serve our customers until the next quarter of the 21st century."

(Continued on page 2)



Paducah Safeguards, Security and Emergency Services Division Manager Tom Hines speaks with USEC President and CEO William H. Timbers prior to a luncheon held in honor of Timbers' anniversary visit to the plant.

Timbers provides corporation update to NRC

Late this summer, USEC President and Chief Executive Officer William H. "Nick" Timbers Jr. provided the Nuclear Regulatory Commission (NRC) with a one-year update on the corporation. About 70 people attended the meeting on Wednesday, August 31, which was open to the public.

At the conclusion of the meeting, NRC Chairman Ivan Selin characterized USEC's first year as smooth: "Before you [Timbers] came on board, there seemed to be just hundreds of problems that were going to come up in doing the certification process...not only have relations been smooth, but the work has been very smooth."

Since then, NRC has unanimously ap-

proved standards developed by NRC staff for the certification of USEC's gaseous diffusion plants (GDPs) at Paducah and Portsmouth. This approval eliminates a major uncertainty in the steps toward final certification of the plants by October 1995.

When Timbers last spoke to the NRC in June 1993, USEC was engaged in lease negotiations with the Department of Energy (DOE) and was preparing to assume management of the Paducah and Portsmouth GDPs. Since that time, USEC has successfully completed those negotiations, entered into a lease of the GDPs with DOE, and has effected a smooth transition to USEC management of the GDPs in accordance with the July 1, 1993, statutory dead-

line set forth in the Energy Policy Act of 1992. USEC also entered into a comprehensive Regulatory Oversight Agreement (ROA) with DOE that provides for the continued safe operation of the GDPs under DOE nuclear safety, safeguards and security controls pending NRC's assumption of regulatory oversight.

In his remarks this year, Timbers summarized the current state of the Corporation (including plans for privatization), updated NRC on USEC's progress in preparing for NRC certification of the GDPs, and described USEC's current plans for commercialization of AVLIS technology.

State of the Corporation

"Over the last 15 months, USEC has become a fully diversified, \$1.5 billion international corporate enterprise with significantly enhanced production and marketing capabilities," Timbers said. "We have created corporate functions that did not previously exist including finance, planning and development, and human resources. We have had great success in production performance and in reducing cost. I would like to emphasize, however, that while our commercial success will be achieved by providing unmatched attention to our customer needs and operating efficiency, our corporate vision can only be met by also meeting high safety and environmental standards and by fostering the personal and professional success of our employees."

Timbers also pointed out that USEC's Board of Directors was confirmed by the Senate and sworn into office earlier in 1994. They are: Chairman William J. Rainer, Co-Founder and former Managing Director of Greenwich Capital Markets, Incorporated, and Directors: Greta Joy Dicus who is Director of the Division of Radiation Control and Emergency Management for the Arkansas Department of Health; Margaret Hornbeck Greene, President of the Kentucky Division of South Central Bell Telephone Company; and Dr. Kneeland C. Youngblood, a practicing emergency physician in Texas. Timbers also added that the White House is working to fill the vacancy created by Frank G. Zarb,

who stepped down from the Board earlier this year due to a new position.

"The Corporation is now staffed by an experienced group of 112 employees drawn from both private industry and government," he said. "We are continuing to integrate our staff with that of our operating and maintenance contractor for the GDPs, Martin Marietta Utility Services, Inc. (MMUS), in order to develop a coordinated operating organization focused on the safety and efficiency of operations at the plants."

First Year Accomplishments

In addition to completing the transition to USEC management of the GDPs, several other notable accomplishments have been achieved in our first year of operation.

- USEC completed negotiations with the Russian Federation for the purchase of low enriched uranium derived from approximately 500 metric tons of highly enriched uranium from dismantled nuclear weapons.
- As a result of a separate agreement with the Russian Federation, USEC had already taken receipt of about 155 metric tons of low enriched uranium.
- USEC has also restructured its contract with MMUS in order to provide more incentives for efficient and safe operations and encourage excellent performance by MMUS.
- On the financial side, USEC paid a \$30 million dividend to the U.S. Treasury after its first three months of operation.
- USEC is evaluating a number of alternative means to privatize the Corporation. USEC will submit a privatization plan to the President by July 1995 in accordance with the Energy Policy Act.

NRC Certification Preparation

Over the past year, USEC has been preparing for NRC certification and regulatory oversight of the GDPs by providing detailed written comments on the NRC standards contained in the proposed 10 CFR (Code of Federal Regulations) Part 76, according to Timbers. He noted that the

(Continued on page 12)

Timbers visits plants

(Continued from page 1)

Timbers acknowledged that there were still many factors to be considered before deploying AVLIS: the NRC licensing process, the transfer of technology from DOE, the cost to build an AVLIS plant, its capacity, and its location.

Although a site has not yet been chosen, Timbers said that like all other decisions made by the Corporation, it too will be made on a sound business basis.

"This Corporation was built upon basic principles of commercial operation, private sector orientation, and success in terms of beating our competition and improving our business," he stated. "Every decision we make is directed towards extending the long-term viability of this Corporation and operating on a lower-cost basis."

MMUS President W.E. Fields participated in the meetings as well. He said the partnering between USEC and MMUS had yielded good results. Trends show that the plants are meeting their goals, and Fields noted that in addition to setting production records, the plants also came in at five

percent below their targeted budget.

"I'm proud of what you all have accomplished this last year," Fields said. "We are partners with USEC. Working together and being able to make decisions quickly is making a big difference."

Echoing Fields' sentiments, Timbers said, "we are all in this together...USEC has to pursue additional sales at an attractive price to beat the competition and yet make a profit for the Corporation." He added, "To succeed, I rely on the plants to make sure our costs are low enough." This symbiotic relationship, according to Timbers, works to the benefit of all.

Looking ahead, Timbers explained that what the Corporation does in the next 18 months is critical to the future of this business. "We will have a good idea of how successful we are in sales, how successful we are in generating more efficiency in the plants, AVLIS, the Russian material, regulation by NRC, OSHA compliance—all of these things will come into better focus in the next 18 months."

USEC Corporate Vision

The United States Enrichment Corporation (USEC) will be a private enterprise that is the world leader in nuclear-fuel-cycle and related businesses. USEC will maximize the value of the Corporation by providing unmatched attention to customer needs and operating efficiency, meeting high ethical, civic, environmental and safety standards and fostering the professional and personal success of its employees.

To achieve this vision, USEC is adopting strategic initiatives that will be implemented by being entrepreneurial, responsive, affordable, reliable, flexible, professional, and credible with high integrity as a commercial enterprise.

USEC

MARTIN MARIETTA

Uranium Enrichment News

MARTIN MARIETTA UTILITY SERVICES, INC.
A subsidiary of Martin Marietta Corporation
Acting under
the United States Enrichment Corporation
Contract USECHQ-93-C-0001

PUBLIC AFFAIRS

X-100 Building, WS 1140	C-100 Building
P.O. Box 628	P.O. Box 1410
Piketon, Ohio 45661	Paducah, Kentucky 42001
(614) 897-2457	(502) 441-6981

Tim Matchett	Manager, Public Affairs, Portsmouth
Joe Walker	Manager, Public Affairs, Paducah
Angie Duduit	Editor, Portsmouth
Georgann Lookofsky	Editor, Paducah
Kim McLean	Design
Richard Trowbridge	Process Camera/Stripping
Jim Morris and Joe Newsom	Photography

U.S. GOVERNMENT PRINTING OFFICE 750-080/No. 00013

Printed on recycled paper

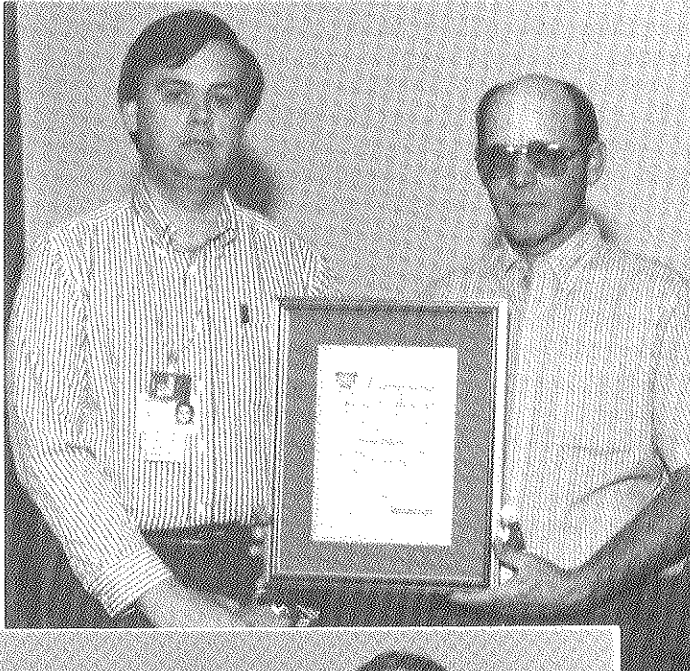


Published monthly for Utility Services employees such as Ray Cable of the Paint Shop in the General Plant Support Division at Portsmouth

Paducah presents plant Awards of Excellence

Dillard wins Paducah Community Service Award

A Community Service Award was presented to Paducah's Noel Dillard (Cascade Maintenance) for his considerable efforts to make fishing areas in the region more accessible to the handicapped. Pictured are, from left, Steve Penrod, Cascade Operations Division Manager, and Noel Dillard.



Sullivan receives Paducah Award of Excellence

Paducah's Loye Sullivan (Seal Shop) received the Award of Excellence for his commitment and service in designing modifications to Seal Shop equipment that resulted in significant reductions in the amount of downtime required for adjustments, resulting in a more reliable seal inventory for the plant. Pictured are, from left, Dave Sampson, General Plant Services Division Manager, and Loye Sullivan.



Waste Shipment team wins Award of Excellence

The Award of Excellence was presented to this Paducah team made up of Dan Watson, David Watson, Lloyd Drake, Leon Kehrer and Jackie Solomon, Waste Management Operations, and DeVern Anderson, Kim Chumbler, Kenneth Huff and Scott Overby, Health Physics, and Jackie Bennett, Purchasing. The team was recognized for its commitment and service in coordinating the plant's first shipment of 2,000 fluorescent light bulbs offsite for recycling. Since then the team has continued with routine shipments of bulbs. Pictured are, from left, front row, Anderson, Chumbler, Drake, and Kehrer. From left, back row, Overby, Solomon, Bennett, David Watson and Dan Watson.



Zeiss receives Paducah Award of Excellence

Paducah's Mike Zeiss (Roads and Grounds) received the Award of Excellence for his outstanding customer service in assisting with preparations for special plant visits. Pictured are, from left, Dave Sampson, General Plant Services Division Manager, and Mike Zeiss.



Shipment team wins Paducah Award of Excellence

A Paducah team made up of people from Waste Management Operations; Chemical Utilities and Power; and Technical Services received the Award of Excellence for commitment and service in coordinating the plant's first shipment of low level combustible waste to an offsite treatment facility. Pictured are, from left, Glenn Reeder, Jim Draw, Beth Elliott, William Becker, all from Waste Management; and Chris Blewett, Technical Services. Not pictured, Dan Lassiter, CUP.

(continued on page 4)



Edwards receives Paducah Award of Excellence

Paducah's Keith Edwards (Security Police) received the Award of Excellence for the commitment and service he demonstrated by providing sexual harassment/rape prevention training for female plant employees twice each week in addition to his regular job duties. Pictured, from left, are Tom Hines, Safeguards, Security and Emergency Services Division Manager, and Keith Edwards.



Hook receives Paducah Award of Excellence

Paducah's Barbara Hook (Nuclear Safety) received the Award of Excellence for outstanding customer service in handling traffic/transportation issues of major importance to the plant. Pictured are, from left, Dave Lassiter, formerly Nuclear Safety Department Manager, now Deputy Manager, Management Systems and Compliance Division; and Barbara Hook.

Paducah retirees plan Christmas party

The Union Carbide/Martin Marietta retirees will hold a Christmas Party on December 15 at 5 p.m. at Pork Peddlers Restaurant at 701 North 8th Street in Paducah. There will be a buffet featuring turkey and dressing and several kinds of barbecue as well as salads, vegetables and great homemade desserts. Jim Yancey will provide entertainment. Tickets are \$10.25 and are available at the Lone Oak Credit Union or from John Hornsby, (502) 442-1752. Reservations must be made by December 10.

The Road to NRC

"So What's the ROA For?"

As we know, the United States Enrichment Corporation (USEC) became a government corporation separate from the Department of Energy (DOE) on July 1, 1993. At that time, USEC became subject to regulation and oversight by the Occupational Safety and Health Administration (OSHA), the Department of Transportation (DOT), and at some time in the future, the Nuclear Regulatory Commission (NRC) for nuclear safety and security considerations. Currently we expect NRC to assume regulation and oversight responsibility in October 1995.

You might ask, if we are no longer part of DOE, and we are not yet subject to NRC oversight, how are we being regulated in the areas of nuclear safety and security? The answer is that during the interim period from July 1, 1993 until NRC assumes oversight responsibilities, we have been and will continue to be regulated by the "Regulatory Oversight Agreement" commonly referred to as the ROA.

The ROA is an official agreement between USEC and DOE, signed by Hazel O'Leary, the Secretary of Energy, and William H. (Nick) Timbers Jr., President and Chief Executive Officer of USEC. The preamble to the ROA states "...until the Nuclear Regulatory Commission ("NRC") issues a certificate of compliance or approves a compliance plan..., the DOE is required to promote and protect the radiological health and safety of the public and workers and to provide for the common defense and security at DOE-owned facilities by exercising nuclear safeguards and security oversight authority at the Leases Premises as defined in the Lease Agreement between DOE and USEC dated as of July 1, 1993."

The ROA is organized into six chapters, two of which are of particular importance to us, the employees of the gaseous diffusion plants.

Chapter 2 of the ROA outlines the safety status of the GDPs. Specifically covered are: Safety Demonstrated by Operating History, Safety Analysis Summary for the GDPs, Effects of Plant Aging on Safety, Upgrades to Existing Safety Analyses, DOE Oversight and Management of the GDP, and Compliance with DOE Orders.

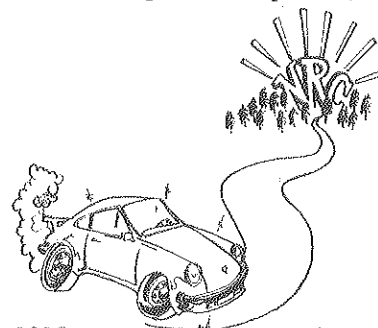
Chapter 3 of the ROA, which is most important, covers 19 critical areas of the operation of the GDPs, including operations, maintenance, engineering, nuclear safety, security, environmental protection, and several other GDP activities. This chapter contains the implementation requirements against which we

are held accountable to DOE, a description of how the requirements are met, and a status of conformance. We are required to comply with the implementation requirements. The "how the requirements are met" chapter describes how we comply with the implementation requirements. The status of conformance notes any areas of known non-compliance as of July 1, 1993. This chapter was prepared to reflect, as accurately as possible, the status of conformance as of July 1, 1993.

The ROA is similar in concept to the rules by which NRC will regulate us. The ROA provides good "practice" for eventual NRC oversight in that under the ROA, the DOE can cite violations of applicable requirements and, if deemed appropriate, require the payment of a penalty for specific violations. DOE has not, prior to the ROA, been authorized to impose penalties. NRC will use a similar regulatory scheme.

We are entering a new and exciting phase of our long history of successful operation. There is no question that we are up to the challenge. The experience which operating within the requirements of the ROA gives us will help ensure that we will continue to be successful.

Coming soon, "Meet the NRC Senior Resident Observers."



Tickets on sale for Phil Dirt and the Dozers

Women for Energy's 1994 Christmas Dance is scheduled for Friday, December 2, 1994, at the James Dickey Post of the American Legion, 705 Court Street, Portsmouth. This year's dance will again feature Phil Dirt and the Dozers. Tickets are now on sale for \$18 each. The tickets will have an assigned table number on them to assist in the seating process; therefore, if you want to bring your friends, family members, and/or neighbors, please

consider the number of tickets you will need for your group. The tables will accommodate combinations of 12, 14, or 18 people. Building representatives are Angie Duduit (X-100), ext. 2457; Karen Ruark (X-710), ext. 5706; Linda Shoemaker (MST), ext. 2089; Charlene Barch (X-1000), ext. 2087; Sara Blume (MMES) X-3012 located behind the X-7725, ext. 3776; and Mike Meeker (X-720), ext. 4578.

MMUS conducts its first awards ceremony

Utility Services

Martin Marietta Utility Services, Inc. conducted its first Awards Night ceremony on Saturday, May 14, at the Hyatt Regency in Lexington, Ky. President W.E. Fields hosted the ceremony which recognized individuals for three different types of awards.

Award of Excellence

The first award was the Award of Excellence which recognizes employees who have demonstrated unique dedication to MMUS and its overall vision. The recipient must perform above and beyond the direct assignment. Criteria for the award includes innovation, creativity, commitment, service, and community service. The winners were:



Gene Bray of Paducah won the Award of Excellence for outstanding suggestions for machining changes that resulted in significant cost savings. He is pictured here with MMUS President W.E. Fields and his wife Sharon.



Portsmouth's Angie Duduit served as Team Leader for a group that won an Award of Excellence for innovation and creativity in developing an all-employee monthly newspaper for MMUS personnel. She is pictured here with MMUS President W.E. Fields and her husband Delbert. Portsmouth team members are shown at right with Plant Manager Dale Allen and Fields. They include (front) Allen, Shannon Coriell, Kim McLean, Duduit, Fields, (back) Richard Trowbridge, Tim Matchett and Tim Paul. Paducah's Georgann Lookofsky is pictured on page six with other Paducah Award of Excellence winners. Team member Randall Hutton, formerly of MMUS Headquarters, is not pictured.



Portsmouth's Deborah Ball won an Award of Excellence for outstanding work in promoting safety and environmental compliance in Portsmouth laboratories. She is pictured with MMUS President W.E. Fields and her husband Herman.



Paducah's Ed Ford won an Award of Excellence for outstanding dedicated service to the community through the Boy Scouts and other organizations. He is shown with his wife Bonnie and MMUS President W.E. Fields.



(Continued on page 6)

Paducah Award of Excellence Winners

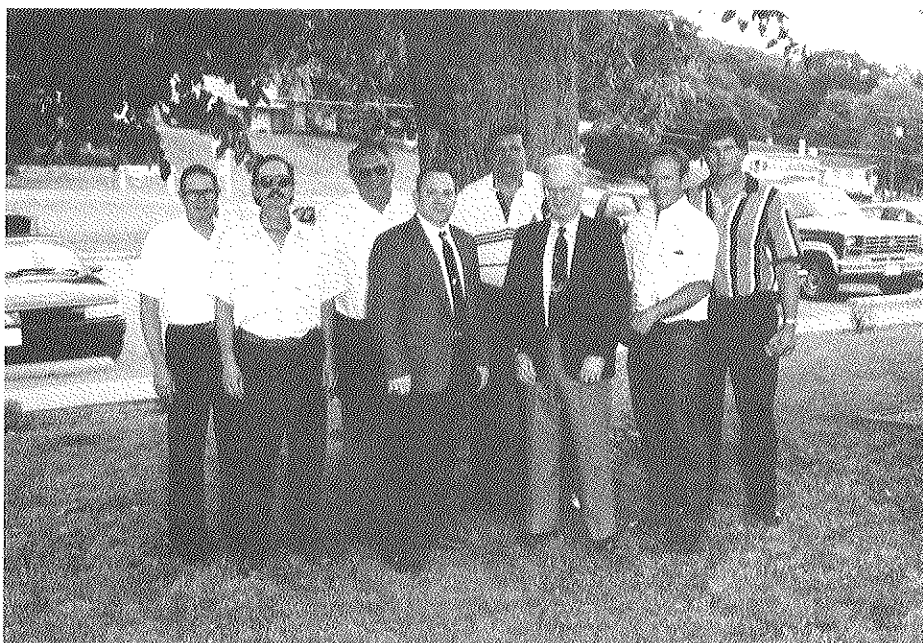
Pictured from left to right are, Bud Waltmon, Georgann Lookofsky, and Mike White.



Portsmouth's John Clayton Jones Jr. served as leader of a team that won an Award of Excellence for superior work in ensuring accurate and timely budgeting and financial reporting of USEC and DOE activities. He is shown at left receiving his award from MMUS President W.E. Fields. Portsmouth team members are shown below with Plant Manager Dale Allen and Fields. They include (front) Allen, LaGrieta Holloway, Jeff Cottle, Fields, (back) Jones, and Arden L. Gill. Joseph E. Hale is not pictured.



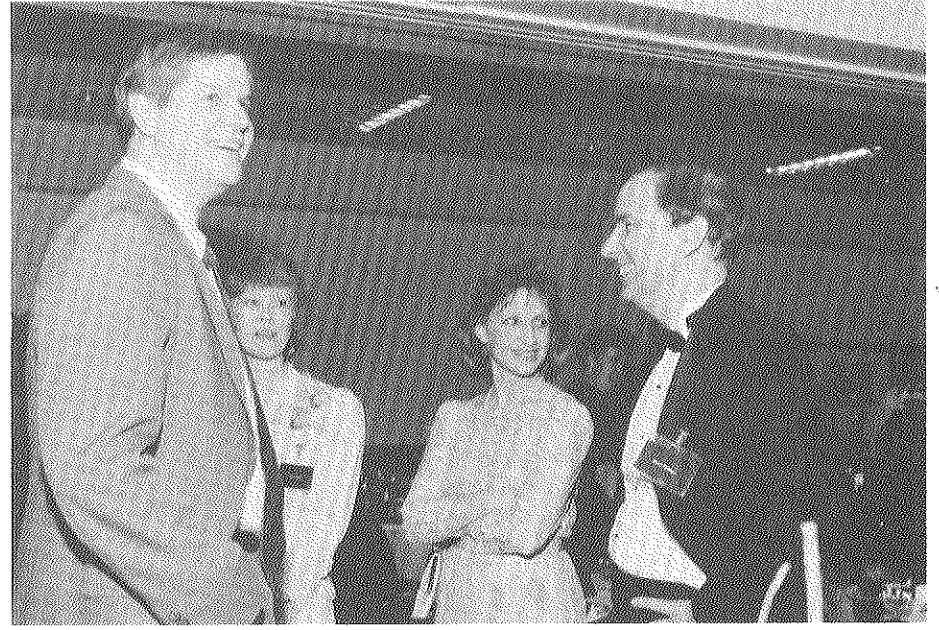
Portsmouth's Bill Landrum led a team that won an Award of Excellence for excellence in correcting the root cause of repeat seal startup and treatment failure, and implementing quality improvements to seal system operation. He is pictured above with his wife Betty and MMUS President W.E. Fields. Portsmouth team members are pictured below with Plant Manager Dale Allen and Fields. They include Walt Arnold, Bob Dotson, Bill Landrum, Allen, Zeke Cofer, Fields, Dick Myers and Dave Fosson. Paducah's Bud Waltmon is pictured in group photo at top left of page. Not pictured are Gerald E. Bobo, G.B. Boroughs, Roger Foster, Bill Greer, David Lannom, Raymond Montgomery, Bob Neely, Bob Sowards, and Gary Timmons.



Phillip M. Kannan of MMUS Headquarters won an Award of Excellence for the key role he played in the legislative process leading to the Energy Policy Act and superior ability in developing and negotiating a win-win contract between the USEC and MMUS. He is shown with his wife Kay and MMUS President W.E. Fields.



Paducah's Wally Malis and Mike White won an Award of Excellence for superior work on an improved investigative work plan for the C-746K landfill. Wally is shown with his wife, Debra Bell (also a Paducah employee), and MMUS President W.E. Fields. Mike is pictured on page six with other Paducah Award of Excellence winners.



Bill Bennett, USEC's Vice President of Production, was a special guest at the awards ceremonies. He is shown above with Kate Allen (wife of Portsmouth Plant Manager Dale Allen), and Martha and Steve Polston, Paducah Plant Manager..



Paducah's Darryl Reeve won an Award of Excellence for outstanding work in resolving an operational challenge that enhances the plant's production reliability. He is pictured with his wife Sonja and MMUS President W.E. Fields.



Portsmouth's Jeffrey L. Woodard led a team that won an Award of Excellence for superior work and commitment in maintaining continuity of operations in Building X-705. He is shown above with his wife Debby and MMUS President W.E. Fields. Portsmouth team members are pictured below with Plant Manager Dale Allen. They include Fred Tackett, Mitch Helms, Allen, Eric Spaeth, Bryan Jones, Greg Wells, Fields, E.V. Clarke Jr., Marlan Tanner, Bob Dotson, Randy Keefer, Carol Chieves, Woodard, Max Potter, and John Eckstein. Not pictured are Sherman Bobst, Melody Channell, Kevin Clausing, Bryan Corbin, Ron Crabtree, Michael McFann, Sandy Odell, John Oppy, Mark Parker, Marvin Ross, Robert Stanley, and Dale Wickline.



Paducah's Bobby C. Riels won an Award of Excellence for innovation in helping to develop a B-flow controller that ultimately helped reduce the cost of the PICS project by \$950,000. He is pictured with his wife Patricia and MMUS President W.E. Fields.



(Continued on page 8)

Award of Excellence

(Continued from page 7)



UE Central's Rusty Yates led a team that won an Award of Excellence for commitment of long hours, excellent communications, and achieving what many thought was impossible--the birth of MMUS. He is pictured with his wife Robyn and MMUS President W.E. Fields. Shown below are team members pictured with Portsmouth Plant Manager Dale Allen and Fields. They include (front) Allen, Donita K. Grashel, Fields, (back) Yates, Ron Parker, and Jim Mossbarger. Not pictured are Dan Roberson and Cynthia Slifko-Moore.



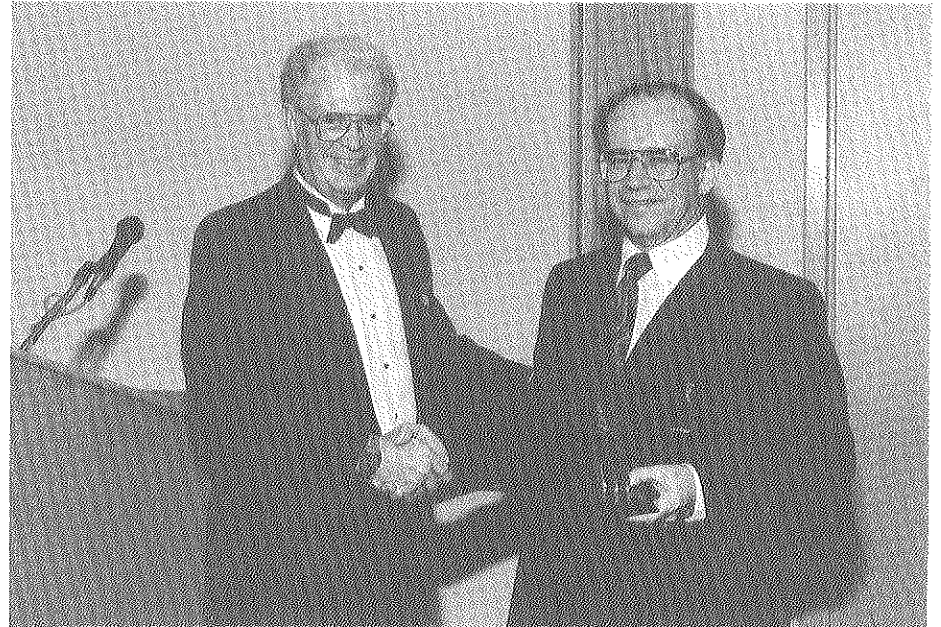
Hopkins attends awards ceremony

Clyde Hopkins, President of Martin Marietta's Energy Group, was also present at the MMUS Awards Ceremony. He is shown at right sharing his remarks with the audience.



Customer Satisfaction Award

The second award was the Customer Satisfaction Award which recognizes employees who have demonstrated outstanding commitment, service, and skills. This person is recognized by management and peers as an extraordinary performer in satisfying his/her customers (internal and external) and always goes above and beyond expectations. Criteria for the award includes outstanding commitment, support, and skills in satisfying his/her customers daily; provides exceptional support to managers, company and/or fellow employees; is willing to go the extra mile to meet all commitments; accepts ownership, empowerment, and responsibility; has effective interpersonal communications and interactive traits; performs consistently above and beyond direct assignments; demonstrates a continuous desire to assist and serve customers with respect, concern, and integrity; and is proactive--anticipates customers' changing wants and needs. The winners were:



Edward A. Engle (formerly of Oak Ridge Headquarters and now an employee for UE Finance located at Portsmouth) won a Customer Satisfaction Award for outstanding achievements in always exceeding customers' expectations. He is pictured with MMUS President W.E. Fields.



Paducah's Brett T. Chenier won the Customer Satisfaction Award for outstanding positive attitude and desire to find innovative solutions to daily problems involving radiological concerns and for continually striving to achieve true customer satisfaction. Pictured above (from left) is Chenier with other Paducah Customer Satisfaction Award winners: Allen Burnette, (see bottom left, page 10) Garvalene Wolff, and Reba Stovall, (see bottom right, page 9).



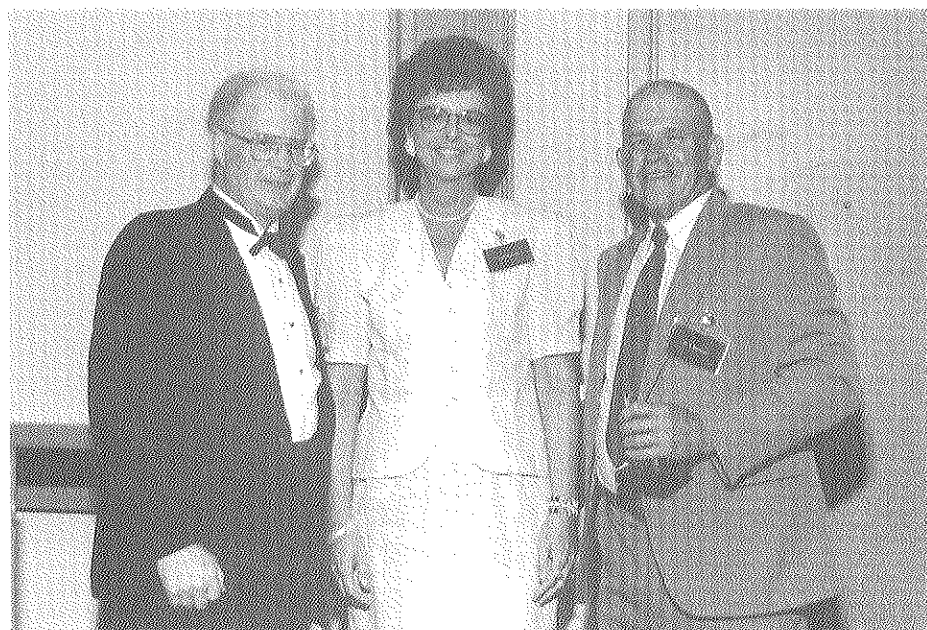
Vangie Lee (MMUS Headquarters) won an Award of Excellence for excellent administrative support and commitment to the goals of the organization. She is pictured at left with MMUS President W.E. Fields.



Paducah's Effie Lewis led a team that won a Customer Satisfaction Award for superior work as a team providing high quality products and customer service and going the extra mile to meet customers' requirements. Above, team members included (from left) Dale Cobb, Jerry Watson, and Rick Holland. Below, she is pictured with her husband Fred and MMUS President W.E. Fields.



Portsmouth's Bonnie Stanley led a team that won a Customer Satisfaction Award for outstanding teamwork in providing service to laboratory customers. She is pictured at left with MMUS President W.E. Fields. Team members are pictured above with Plant Manager Dale Allen and Fields. They are Paula Downey, Mary Stewart and Stanley.



Paducah's M. Truman Richards won a Customer Satisfaction Award for exceptional work in providing unselfish and conscientious service in maintaining critical equipment. He is pictured with his wife Una and MMUS President W.E. Fields.



Paducah's Reba Stovall and Garvelene Wolfe won a Customer Satisfaction Award for superior work in providing travel services to the plant. Stovall is pictured with MMUS President W.E. Fields. Both Stovall and Wolfe are pictured in a group photo on page 8.

(Continued on page 10)

Customer Satisfaction Award

(Continued from page 9)

Portsmouth's Bob Zenk led a team that won a Customer Satisfaction Award for exceptional leadership in the development of the first multidiscipline engineering contracts for architect-engineering services at Portsmouth. He is pictured at left with MMUS President W.E. Fields. Other team members included Paducah's Julie Cothron and Joe Mize who are pictured below.



MMUS Headquarters' K.D. Keith served as leader of a team that won a Customer Satisfaction Award for superior work in revising and accelerating the SAR (Safety Analysis Report) Upgrade Program to be responsive to new customers and changing priorities. Other members of the team included Paducah's Allen Burnette, (pictured in a group photo on page 8) Portsmouth's Mark Hasty, and MMUS Headquarters' Tony A. Angelelli, William R. Brock and Joe H. Turner.

Portsmouth's Dick Myers won a Customer Satisfaction Award for outstanding customer service satisfaction achievements in support of the Cascade's "Cells on Stream" goals.

Portsmouth's Bob Sowards won a Customer Satisfaction Award for outstanding customer satisfaction achievements in support of the day-to-day operations of the Seal Shop.

Portsmouth's Roger Taylor won a Customer Satisfaction Award for superior teamwork, exceptional attitude, and personal efforts in supporting improved maintenance efficiency and departmental goals.

Outstanding Leadership Performance Award

The third award was the Outstanding Leadership Performance Award which recognizes outstanding leadership to the MMUS Organization. The nominated individual/team demonstrates a willingness to be proactive by continuously improving processes, taking initiative and responsibility, being a positive role model, and creating a positive and optimistic working environment; engenders support for a commonly shared mission and helps others understand and fulfill their potential and the value of their work to the organization; secures agreement on ownership and accountability for deliverables and clearly defines the scope, milestones, completion dates, boundary conditions, required resources, measurement method, and purpose of all deliverables; empowers others to do their job as they see best within established boundaries; trusts them to deliver on their commitments, and when necessary, works to remove barriers and obstacles to completing projects successfully; provides useful feedback, recognizes positive performance, and shows appreciation appropriately; and supports the application of Total Quality Management principles as demonstrated by the use of, where appropriate, such tools as bench marking, statistical process control, customer satisfaction systems, empowered work teams, etc.

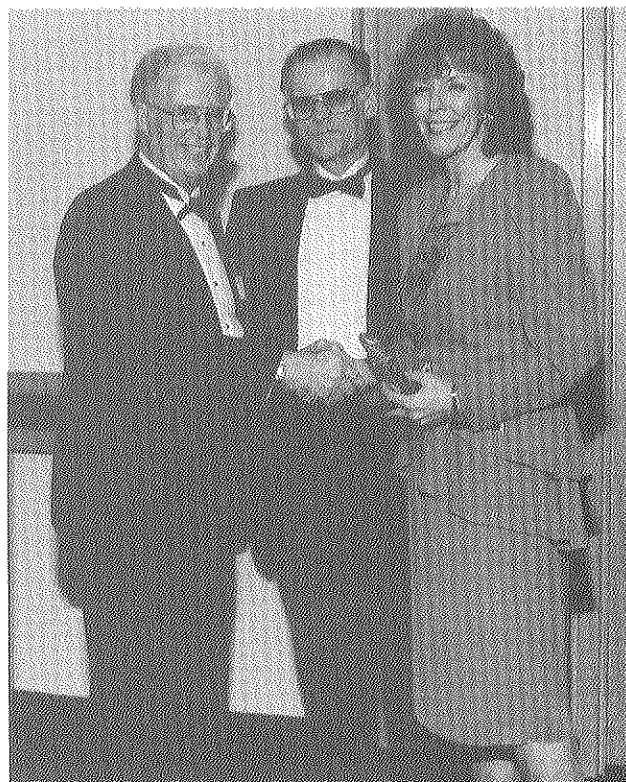
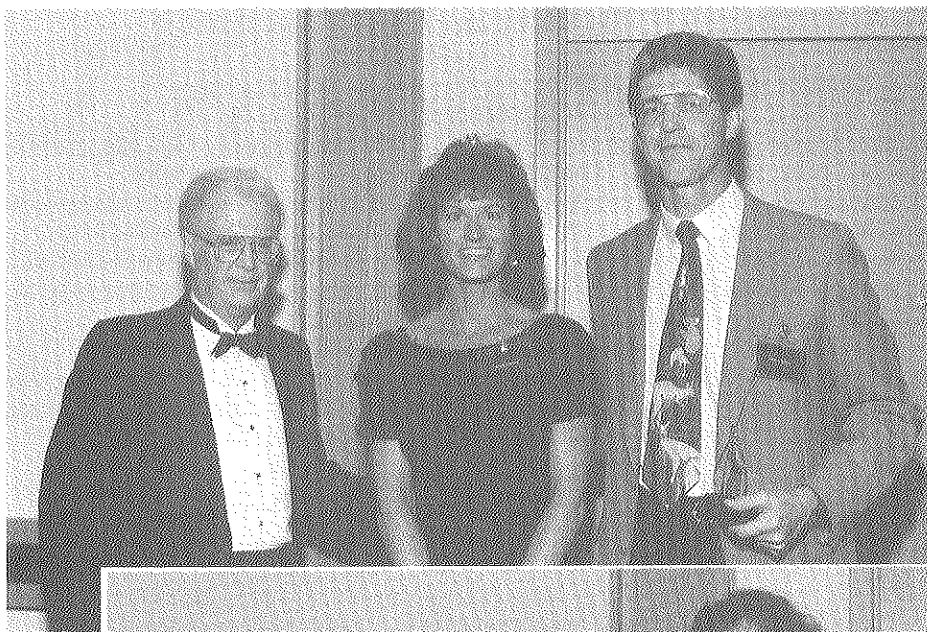
The winners were:



Shown at left are three Paducah employees who won Outstanding Leadership Performance Awards. Steve Seltzer (left) won the award for praiseworthy leadership of the CFC-114 replacement task team. Charlotte A. Callahan (center) won the award for exceptional leadership of a work group. Deputy Plant Manager Howard Pulley (right) won the award for commendable leadership as a change agent in operations and in transitioning the Paducah plant to the United States Enrichment Corporation. Above right, Seltzer is pictured with his wife Denise and MMUS President W.E. Fields. Below right, Pulley is pictured with his wife Rose, and Fields.



MMUS Headquarters' Paula G. Kirk led a team that won an Outstanding Leadership Performance Award for superior work in the creation of the Executive Management Information System. She is pictured with her husband Ron and MMUS President W.E. Fields. Other team members included Veenita Bisaria and Mark A. Eichenberger.



MMUS Headquarters' Rose Wood won an Outstanding Leadership Performance Award for her outstanding leadership and management capability shown in numerous critical multisite activities undertaken in 1993. She is shown above with her husband, Hal Haselton, and MMUS President W.E. Fields.



Paducah's Allen E. Williams won an Outstanding Leadership Performance Award for exemplary performance as a senior leader in promoting the objectives of MMUS and USEC by example and empowerment and by promoting teamwork. He is pictured above with his wife Vicki and MMUS President W.E. Fields.



Portsmouth's Clarence W. (Buck) Sheward won an Outstanding Leadership Performance Award for exceptional leadership in supporting the plant's environmental mission and in fostering a positive relationship with local communities and state regulatory agencies. He is pictured with his wife Ann and MMUS President W.E. Fields.



Portsmouth's Carol Van Meter won an Outstanding Leadership Performance Award for laudable achievements in setting high standards of laboratory quality performance and in aggressively establishing programs to meet those performance standards. She is pictured at left with Plant Manager Dale Allen and MMUS President W.E. Fields.

Portsmouth's Doug Lovette won an Outstanding Leadership Performance Award for his outstanding leadership in the management of the Power Operations Department.

Building a Lean Machine

Focus on Cost Reduction Activities

by A. J. Frankel,
Cost Reduction Program Manager
Martin Marietta Utility Services, Inc.

Cost reduction in competitive private business is a way of life. Even when you are the market leader, there is always a competitor or two nipping at your heels waiting for you to falter. At the same time you are working to improve your own position in the marketplace, so are your rivals. The competition never rests.

With the creation of the United States Enrichment Corporation in July 1993, we entered this realm and must adjust our daily work habits and thinking accordingly.

Being competitive is less about working harder than it is about working smarter.

By utilizing worn clothing currently being discarded by plant laundry operations as rags, instead of purchasing rags, cost savings are realized from two sources - rag purchases and double landfill dis-

posal costs are avoided. In similar fashion, turning off lights, copy machines, and personal computers/monitors/printers not in use overnight, on weekends, and on holidays both reduces electricity waste and makes the power not consumed available to the GDP cascade for producing SWUs.

It is imperative that we reduce the cost of SWUs produced by the GDPs for USEC to be profitable and able to compete for new sales. The importance of your individual contributions toward achieving this goal cannot be understated.

If you have a cost savings suggestion, make it known. Many important cost savings opportunities are much more readily visible from the working level. Discuss your ideas with your supervision, call the MMUS-HQ Cost Reduction Hotline (502)441-5974, or send your suggestion by E-mail to MILLSPC.

Timbers provides update to NRC

(Continued from page 2)

rulemaking has been accomplished under very substantial time constraints imposed by the Energy Policy Act.

"We appreciate the hard work that the NRC staff has performed in developing a comprehensive set of new regulatory standards in such a relatively short period of time for facilities that have been operating for over 40 years," said Timbers. "The development of appropriate regulatory policies and programs for the inspection and oversight of these facilities will be equally challenging. The presence of resident NRC observers--Ken O'Brien at Paducah and Charlie Cox at Portsmouth--should assist in the transition to NRC regulation."

He went on to say that USEC has already begun work on its applications for NRC certificates of compliance for the GDPs, as well as compliance plans that will address those areas where full compliance with applicable NRC requirements will not have been achieved by the time the applications are filed. Teams of experts at both plants, supplemented by experienced contractor personnel, are currently working on the applications.

"We are utilizing a format and approach similar to that used for NRC fuel cycle facility license applications in order to aid the NRC staff in efficiently reviewing the applications," he said. "We currently anticipate submitting our applications to the NRC in April 1995."

Substantial efforts also are underway to modify and upgrade programs, procedures and training in order to provide the necessary infrastructure to assure compliance with NRC requirements and to further enhance the safety of the operational working environment at the GDPs.

"While the GDPs have operated safely

for almost 40 years, we believe that improvements in the discipline of operations are necessary to meet USEC's expectations and ensure that GDP operations are on a par with NRC's best fuel cycle licensees," he said. "Our efforts include 'benchmarking' visits to NRC-licensed facilities including reactor and fuel cycle facilities.

"We are working to instill in the corporate and plant organizations the attributes we believe characterize other successful operations regulated by the NRC," Timbers continued. "Among these attributes are effective involvement of senior management in nuclear safety matters, clear communication with the NRC, a company wide commitment to safety, personal accountability and performance-based evaluation criteria, and an effective self-assessment capability. Improvements in our self-assessment capability are essential if USEC is to achieve our desired level of performance. Changes of this nature require sustained effort, but we are working hard to achieve them."

AVLIS

Timbers stated that on July 12, 1994, USEC's Board of Directors unanimously voted to authorize management to begin taking the steps necessary to commercialize AVLIS.

"We have begun to take the necessary actions to effectuate the technology transfer from DOE, and we are now considering numerous relevant issues including licensing, plant location, size, timing and financing," he said. "We hope that our interaction with NRC staff on AVLIS will be characterized by the same construction and creative dialogue that has characterized our interaction to date on the GDPs."

MMES Award Winners

Energy Systems--Portsmouth

Six Portsmouth-Energy Systems employees were honored at Awards Night ceremonies on Friday, May 27, at the Hyatt Regency in Knoxville. They included:

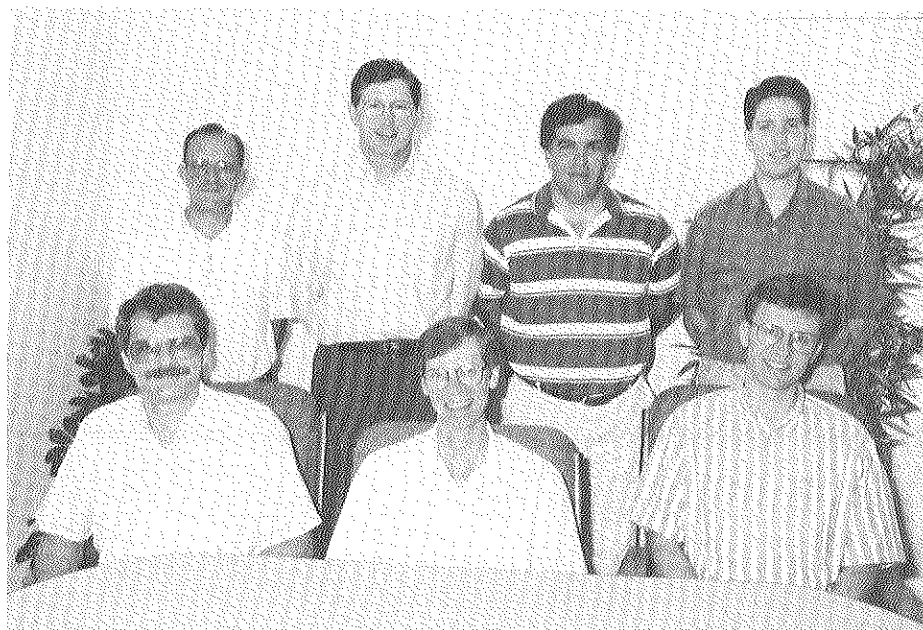
Bob Barnett won a Management Achievement Award for outstanding execution of site environmental restoration program systems and controls at the Portsmouth plant.

Team Leader Jim Campbell, Scott Peterson, Brent Richards and Harold Sydnor won a Technical Achievement Award for exceptional leadership in coordinating groundwater activities in the Portsmouth Environmental Restoration Program.

Wray Jordan (formerly of Portsmouth and now of MMUS Headquarters) and Terry Acox were part of a team that won an Operations and Support Award for successfully removing PCB-contaminated lubrication oil from eight units at the Portsmouth plant, resulting in significant cost savings while achieving regulatory compliance.

Energy Systems-Paducah

MMES Awards Night Winners from Paducah included Bryan J. Clayton and a team made up of Jeff Garner and Jack Elrod. Clayton was recognized for outstanding leadership in the preparation of a Record of Decision. Garner and Elrod were recognized for exemplary performance in the implementation of Environmental Services contracts.



Energy Systems Awards Night winners from Portsmouth are pictured above with MMES Site Manager David Taylor. They include (front) Harold Sydnor, Jim Campbell, Scott Peterson, (back) Bob Barnett, Taylor, Terry Acox and Brent Richards.

Ethics Hotlines

- Portsmouth Ethics Rep. - Wayne McLaughlin (Ext. 2554)
- Paducah Plant Manager's Hotline (Bell-6472)
- Paducah Plant Fraud, Waste and Abuse Hotline (Bell-6600)
- Energy Systems Hotline (615-576-9000)
- Martin Marietta Corporation Hotline (1-800-3-ETHICS)
- DOE Inspector General and Environmental Hotline (1-800-541-1625)

Pikeston, Ohio
BULK RATE
U.S. Postage
PAID
Permit No. 11

Martin Marietta Utility Services, Inc.
P.O. Box 628
Pikeston, Ohio 45661
Address Correction Requested
Please Return Intact