[DNFSB LETTERHEAD]

March 18, 1996

The Honorable Victor H. Reis Assistant Secretary for Defense Programs Department of Energy Washington, D.C. 20585

Dear Dr. Reis:

The Defense Nuclear Facilities Safety Board (Board) commends the Department of Energy (DOE) and its contractor Lockheed Martin Energy Systems for their activities in support of Project Sapphire. This was a significant effort in support of national security interests, which ultimately resulted in removing approximately 600 kilograms of fissile material from the former Soviet Union. Over the past year, the Board's staff made numerous reviews and observations of activities at the Y-12 Plant related to this initiative. The enclosed report provides information on the Board's staff assessment of those activities; this information may be useful in executing any future initiatives similar to Project Sapphire.

It appeared that the material brought to the United States was insufficiently characterized to conclude compliance with Y-12 Plant standards for storage of highly-enriched uranium. The Board notes that DOE did develop, but failed to execute, a technically rigorous sampling plan to characterize the material after it had been placed into storage at the Y-12 Plant. If national security priorities allow, such a plan should be executed for any similar future initiatives prior to the material arriving in the United States, with the Board being advised at the earliest opportunity, so that the necessary oversight efforts can be executed.

After careful consideration, the Board is of the opinion that the enclosed staff report should be shared with you and your associates.

Sincerely,

John T. Conway Chairman

c: The Honorable Tara O'Toole Mr. Mark Whitaker Mr. James Hall

Enclosure