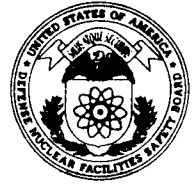


John T. Conway, Chairman
A.J. Eggenberger, Vice Chairman
Joseph J. DiNunno
Herbert John Cecil Kouts
John E. Mansfield

DEFENSE NUCLEAR FACILITIES SAFETY BOARD

625 Indiana Avenue, NW, Suite 700, Washington, D.C. 20004-2901
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December 17, 1998

The Honorable Victor H. Reis
Assistant Secretary for Defense Programs
Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585-0104

Dear Dr. Reis:

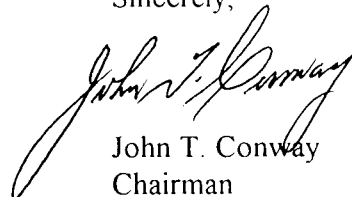
The Defense Nuclear Facilities Safety Board (Board) has been following closely the efforts of the Department of Energy (DOE) and Lockheed Martin Energy Systems (LMES) to restart certain activities, designated Phase A2, for enriched uranium operations (EUO) in Building 9212 at the Y-12 Plant. Phase A2 includes various furnace/burner, solution processing, and wet chemistry operations to process residues and waste, including those from Phase A1 metallurgical operations.

The Board's staff observed the LMES and DOE Operational Readiness Reviews (ORRs) conducted for Phase A2 operations in October and November 1998, respectively. The conduct of operations and readiness demonstrated for these ORRs were much improved as compared with the earlier Phase A1 ORRs.

The Board is encouraged by the safety improvements evident in the Phase A2 operations. The Board considers the commitment to disciplined restart preparations by the DOE Y-12 Site Office (DOE-YSO) and LMES in Phase A2 to be key to the improved implementation of safety controls and operational proficiency demonstrated during the ORRs.

The Board would like to congratulate DOE-YSO and LMES on its efforts toward restart of Phase A2 operations. The Board looks forward to continued improvements as restart efforts for additional enriched uranium operations progress.

Sincerely,



John T. Conway
Chairman

c: Mr. Mark B. Whitaker, Jr.
Mr. Gene Ives
Mr. James Hall