



Department of Energy

Portsmouth/Paducah Project Office
1017 Majestic Drive, Suite 200
Lexington, Kentucky 40513
(859) 219-4000

DEC 1 8 2008

Mr. Randy Runyon
Southern Ohio Diversification Initiative
1862 Shyville Road
Piketon, Ohio 45661

PPPO-01-125-09

Dear Mr. Runyon:

RESPONSE TO THE SOUTHERN OHIO DIVERSIFICATION INITIATIVE 10 CFR PART 770 PROPOSAL FOR THE TRANSFER OF A 340 ACRE LAND PARCEL AT THE PORTSMOUTH GASEOUS DIFFUSION PLANT

This letter is to inform you that the Department of Energy (DOE) Portsmouth/Paducah Project Office (PPPO) has received your letter and proposal dated October 8, 2008, regarding the subject proposal for the fee-simple transfer of a 340-acre land parcel located within the Northeast section of the Portsmouth Gaseous Diffusion Plant. After a preliminary review, PPPO agrees to pursue development of the proposed title transfer agreements for a portion of the subject parcel. To date, DOE has identified the following potential changes to the boundary proposed by SODI:

- PPPO anticipates that the parcel boundary will have to be modified to accommodate the American Electric Power easement which runs along the southern boundary of the requested parcel.
- Further, PPPO also anticipates retaining the railroads located within SODI's proposal and allowing SODI access to the railroads pursuant terms agreeable to the parties.

Before any title transfers can occur, PPPO must comply with several requirements including the National Environmental Policy Act (NEPA), and the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). In addition, PPPO will follow the process outlined in 10 CFR Part 770, Transfer of Real Property at Defense Nuclear Facilities for Economic Development. As DOE is preparing the NEPA and CERCLA documentation, we request the Southern Ohio Diversification Initiative's (SODI) cooperation may be needed.

As required under the terms of the Lease Agreement between the United States Department of Energy and the United States Enrichment Corporation (USEC), DOE offered the subject parcel to USEC. USEC initially responded in support of the transfer of the parcel to SODI, with certain significant conditions/restrictions. DOE will work with both USEC and SODI to attempt to address USEC's issues.

PPPO would like to meet and discuss the issues raised by the proposed transfer. Further, we look forward to working with you on the development of the transfer documents for this property. If you have any questions regarding the status of the activities, please contact me at (859) 219-4000 or Kristi Wiehle, of my staff, at (740) 897-5020.

Sincerely,



William E. Murphie
Manager
Portsmouth/Paducah Project Office

cc:

L. Clark, DOE/ORO
B. Sokolovich, DOE/EMCBC
R. Blumenfeld, PPPO/LEX
B. Gawthorp, PPPO/LEX
L. Roenker, PPPO/LEX
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