



Department of Energy

Oak Ridge Office
P.O. Box 2001
Oak Ridge, Tennessee 37831 —

July 21, 2009

Mr. R.B. Starkey, Jr.
Vice President, American Centrifuge
USEC, Inc.
P.O. Box 628
Piketon, Ohio 45661

Dear Mr. Starkey:

**RESPONSE TO THE UNITED STATES ENRICHMENT CORPORATION (USEC)
REVIEW OF PROPOSED TRANSFER OF APPROXIMATELY 340 ACRES OF
PROPERTY AT THE PORTSMOUTH GASEOUS DIFFUSION PLANT (PORTS) TO
THE SOUTHERN OHIO DIVERSIFICATION INITIATIVE (SODI)**

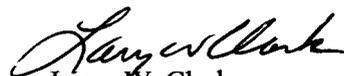
The purpose of this letter and the enclosed memorandum from the Portsmouth/Paducah Project Office (PPPO), subject as above, dated July 14, 2009, is to request clarification as to whether USEC plans to lease a portion, or all, of the 340 acre parcel proposed for transfer to SODI. In our letter to USEC dated February 26, 2009, the Department of Energy indicated a willingness to meet with USEC to continue discussions; however, we have not received a response to the letter or a request for a meeting.

SODI has continued to express interest in leasing the 340 acre parcel, and PPPO has begun taking the initial steps necessary to meet the requirements of the property transfer process outlined in 10 CFR Part 770. PPPO needs to know as soon as possible whether USEC intends to lease the 340 acre parcel pursuant to Section 3.4 of the *Lease Agreement Between the United States Department of Energy and the United States Enrichment Corporation*, dated July 1, 1993. This information is critical to enable PPPO to determine how to proceed in discussions with SODI in connection with the proposed property transfer.

A response to my office is requested by July 31, 2009.

If you have any questions, please contact me at (865) 576-2535 or Phil Stumbo of my staff at (865) 576-1828.

Sincerely,


Larry W. Clark
Assistant Manager
for Nuclear Fuel Supply

Enclosure:
PPPO Memorandum dated July 14, 2009

cc's on Page 2

Mr. R.B. Starkey, Jr.

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July 21, 2009

cc w/enclosure:

M. Heiskell, NS-51/ORO
K. Lang, NS-51/ORO
P. Stumbo, NS-51/ORO
J. Tice, NS-51/PORTS
R. DeVault, NS-52/ORO
K. Walling, CC-10/ORO
W. Murphie, PPPO/LEX
D. Kozlowski, PPPO/LEX
B. Gawthorp, PPPO/LEX
R. Blumenfeld, PPPO/OR
J. Bradburne, PPPO/PORTS
K. Wiehle, PPPO/PORTS
R. Knerr, PPPO/PGDP
P. Sullivan, USEC/HQ
W. Jordan, USEC/PORTS
J. Anzelmo, USEC/PORTS
K. Lauderback, USEC/PORTS
D. Rogers, USEC/PORTS
A. Strickland, USEC/PORTS
J. McNeely, AMARC/ORO
D. Lynn, AMARC/ORO

United States Government

Department of Energy
Portsmouth/Paducah Project Office

memorandum

DATE: **JUL 14 2009**

REPLY TO
ATTN OF: PPPO:Wiehle

PPPO-03-309-09

SUBJECT: **RESPONSE TO THE UNITED STATES ENRICHMENT CORPORATION REVIEW OF
THE PROPOSED TRANSFER OF APPROXIMATELY 340 ACRES OF PROPERTY TO
THE SOUTHERN OHIO DIVERSIFICATION INITIATIVE**

TO: Larry W. Clark, Assistant Manager for Nuclear Fuel Supply, NS-50/ORO

References:

1. Letter from L.W. Clark to R.B. Starkey, Jr., "United States Enrichment Corporation's Review of the Proposed Transfer of Approximately 340 Acres of Real Property to the Southern Ohio Diversification Initiative (SODI)," dated October 31, 2008
2. Letter from P. Stumbo to L.W. Clark, "United States Enrichment Corporation (USEC) Review of the Proposed Transfer of Approximately 340 Acres of Real Property to the Southern Ohio Diversification Initiative (SODI)," dated December 12, 2008
3. Letter from L.W. Clark to R.B. Starkey, Jr., "Response to the United States Enrichment Corporation (USEC) Review of Proposed Transfer of Approximately 340 Acres of Property at the Portsmouth Gaseous Diffusion Plant (PORTS) to the Southern Ohio Diversification Initiative (SODI)," dated February 26, 2009

The purpose of this memorandum is to request that the Department of Energy (DOE) Oak Ridge Office (ORO) seek clarification from the United States Enrichment Corporation (USEC) as to whether USEC plans to lease a portion, or all, of the 340 acre parcel proposed for transfer to the Southern Ohio Diversification Initiative (SODI) as discussed in the above referenced letters. In a letter dated December 12, 2008, (Reference 2) written in response to a letter from DOE inquiring whether USEC had any interest in leasing the 340 acre parcel (Reference 1), USEC stated support for the proposed 340-acre parcel transfer contingent upon DOE accepting USEC's conditions therein. DOE ORO provided a response to those conditions in a letter dated February 26, 2009, (Reference 3) and indicated a willingness to meet with USEC to discuss the letter. To the Portsmouth/Paducah Project Office's (PPPO) knowledge, USEC neither provided a response to ORO's letter nor requested a meeting to discuss the letter.

SODI has continued to express interest in leasing the 340 acre parcel, and PPPO has begun taking initial steps necessary to meet the requirements of the property transfer process outlined in 10 CFR Part 770. PPPO needs to know as soon as possible whether USEC intends to lease the 340 acre parcel pursuant to Section 3.4 of the *1993 Lease Agreement Between the United States Department of Energy and the United States Enrichment Corporation*. This information is critical to enable PPPO to determine how to proceed in its discussions with SODI in connection with the proposed property transfer.

Thank you for your assistance with this matter. If you have any questions, please contact Kristi Wiehle of my staff at (740) 897-5020.



William E. Murphie
Manager

Portsmouth/Paducah Project Office

cc:

D. Kozlowski, PPPO/LEX
R. Blumenfeld, PPPO/LEX
B. Gawthorp, PPPO/LEX
J. Bradburne, PPPO/PORTS
C. Voth, PPPO/PORTS
M. Heiskell, NS-50/ORO
R. Seifert, PPPO/PAD
P. Stumbo, SC-OR/ORO
J. Tice, NS-50/ORO