

February 24, 2004

Mr. Steven A. Toelle, Director  
Nuclear Regulatory Affairs  
U. S. Enrichment Corporation, Inc.  
6903 Rockledge Drive  
Bethesda, MD 20817-1818

SUBJECT: LICENSE FOR THE AMERICAN CENTRIFUGE LEAD CASCADE FACILITY -  
(TAC NOS. L31979 SAFETY, L31980 ENVIRONMENTAL, AND L31981  
SAFEGUARDS)

Dear Mr. Toelle:

In accordance with your application dated February 11, 2003, and supplements and revisions dated June 18, 2003, November 3, 2003, November 6, 2003, November 10, 2003, December 4, 2003, January 6, 2004, January 20, 2004, and February 18, 2004, and pursuant to Part 70 to Title 10 of the Code of Federal Regulations, Materials License SNM-7003 is hereby granted to the United States Enrichment Corporation, Inc. (USEC Inc.) to possess and use source and special nuclear material at the American Centrifuge Lead Cascade facility at the Portsmouth Gaseous Diffusion Plant site in Piketon, Ohio. A copy of SNM-7003 is enclosed. Earlier, by letter dated February 20, 2004, the Nuclear Regulatory Commission had requested USEC Inc. to conduct a factual accuracy review of the license conditions contained in draft SNM-7003. By letter dated February 23, 2004, USEC Inc. provided its comments. The NRC incorporated all comments.

A copy of this letter and the enclosed license are being placed in ADAMS and will be available in the NRC Public Document Room.

If you have any questions regarding this license, please contact Mr. Yawar Faraz at (301) 415-8113.

Sincerely,

**/RA/**

Joseph G. Giitter, Chief  
Special Projects Branch  
Division of Fuel Cycle Safety  
and Safeguards  
Office of Nuclear Material Safety  
and Safeguards

Docket: 70-7003

Enclosure: License

cc:

Peter Miner, USEC Inc.

Rod Krich, LES

James Curtiss, W&S

William Szymanski, DOE

Dan Minter, SODI

Randall DeVault, DOE

Michael Marriotte, NIRS

Carol O'Claire, Ohio EMA

Bob Taft, Governor Ohio

Mike DeWine, Senator Ohio

George V. Voinovich, Senator Ohio

Rob Portman, Congressman Ohio

Bob Ney, Congressman Ohio

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 Rob Portman, Congressman Ohio  
 Bob Ney, Congressman Ohio

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ARayland,NSIR	RRodriguez, DWM	ARivera, SPIB	WSmith, SPIB	
DMcIntyre,OPA	RHannah,RII	KEverly,NSIR	CPaperiello,EDO	

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<b>OFC</b>	SPIB		SPIB		OGC		SPIB		SPIB	
<b>NAME</b>	YFaraz		LGross		JLieberman		BSmith		JGitter	
<b>DATE</b>	2/ 24 /04		2/ 24 /04		2/ 24 /04		2/ 24 /04		2/ 24 /04	

**OFFICIAL RECORD COPY**

**MATERIALS LICENSE**

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations, Chapter I, Parts 30, 31, 32, 33, 34, 35, 36, 39, 40, and 70, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations, and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

Licensee	
1. USEC Inc.	3. License Number: SNM-7003
2. 6903 Rockledge Drive Bethesda, MD 20817-1818	4. Expiration Date: See Condition 14
	5. Docket No. 70-7003

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|---|---|---|
| 6. Source and/or Special Nuclear Material | 7. Chemical and/or Physical Form Under This License | 8. Maximum amount that Licensee May Possess at Any One Time |
|---|---|---|

**Text removed under 10 CFR 2.390.**

9. Authorized place of use: American Centrifuge Lead Cascade Facility, located at the Portsmouth Gaseous Diffusion Plant site in Piketon, Ohio.
10. The licensee shall conduct authorized activities at the American Centrifuge Lead Cascade Facility in accordance with the statements, representations, and conditions in:
- a. License Application dated February 11, 2003, as revised by letters dated November 6, 2003, January 6, 2004, January 20, 2004, and February 18, 2004
  - b. Withheld information from License Application dated November 6, 2003
  - c. Environmental Report dated February 11, 2003, as revised by letters dated November 6, 2003, and January 20, 2004
  - d. Withheld information from Environmental Report dated February 11, 2003, as revised by letters dated November 6, 2003, and November 10, 2003
  - e. Decommissioning Funding Plan (non-proprietary) dated November 6, 2003
  - f. Decommissioning Funding Plan's Proprietary Tables dated November 3, 2003
  - g. Security Program dated November 3, 2003, as revised by letters dated December 4, 2003, and January 6, 2004
  - h. Fundamental Nuclear Material Control Plan dated November 3, 2003
  - i. Quality Assurance Program Description dated June 18, 2003
11. Introduction of UF<sub>6</sub> in the American Centrifuge Lead Cascade Facility shall not occur until the Commission completes an operational readiness and management measures verification review to verify that management measures that ensure compliance with the performance requirements of 10 CFR 70.61 have been implemented and confirms that the facility has been constructed and will be operated safely

**MATERIALS LICENSE  
SUPPLEMENTARY SHEET**License Number  
SNM-7003Docket or Reference Number  
70-7003

and in accordance with the requirements of the license. USEC Inc. shall provide the Commission with 60 days advance notice of its plan to introduce UF<sub>6</sub> in the American Centrifuge Lead Cascade Facility.

12. USEC Inc. is hereby granted the special authorizations and exemptions identified in Chapter 1, Section 1.2.3.E of the American Centrifuge Lead Cascade Facility Safety Evaluation Report, dated January 2004.
13. The Portsmouth Gaseous Diffusion Plant Emergency Plan shall be revised to appropriately address the American Centrifuge Lead Cascade Facility and the Emergency Plan Implementing Procedures encompassing these topics shall be implemented at least 120 days prior to the introduction of UF<sub>6</sub> in the American Centrifuge Lead Cascade Facility.
14. This license will expire on the earlier of February 24, 2009, or the date on which the February 17, 2004, Agreement between the U.S. Department of Energy and the United States Enrichment Corporation Concerning the Temporary Lease of Certain Facilities in Support of the American Centrifuge Program, expires, terminates, or is otherwise revoked or relinquished.
15. The licensee shall not introduce UF<sub>6</sub> in the American Centrifuge Lead Cascade Facility until the decommissioning funding mechanism has been accepted by the NRC and executed by the licensee. In addition, no later than every three years the licensee shall update the Decommissioning Funding Plan and provide it to the NRC for review.

FOR THE NUCLEAR REGULATORY COMMISSION

Date: 2/24/2004By: /RA/

Joseph G. Gitter  
Special Projects and Inspection Branch  
Division of Fuel Cycle Safety and Safeguards  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001