

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, Amendment 3
2. 6903 Rockledge Drive Bethesda, MD 20817-1818	4. Expiration Date: See Condition 14
	5. Docket No. 70-7003

OFFICIAL USE ONLY

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| <p>6. Source and/or Special Nuclear Material</p> <p>A. Uranium (natural and depleted) and daughter products</p> <p>B. Uranium enriched in isotope U-235 up to 10% by weight and uranium daughters</p> <p>C. Plutonium</p> | <p>7. Chemical and/or Physical Form Under This License</p> <p>A.1 Physical: Solid and Gas</p> <p>A.2 Chemical: UF₆, UF₄, UO₂F₂, oxides and other compounds</p> <p>B.1 Physical: Solid and Gas</p> <p>B.2 Chemical: UF₆, UF₄, UO₂F₂, oxides, metal and other compounds</p> <p>C. Sealed Sources</p> | <p>8. Maximum amount that Licensee May Possess at Any One Time</p> <p>A. [Security-Related Information - Withheld Under 10 CFR 2.390]</p> <p>B. [Security-Related Information - Withheld Under 10 CFR 2.390]</p> <p>C. [Security-Related Information - Withheld Under 10 CFR 2.390]</p> |
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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, and revisions dated November 6, 2003, January 6, 2004, January 20, 2004, February 18, 2004, July 1, 2005, November 30, 2005, January 26, 2006, January 27, 2006, February 28, 2006, March 24, 2006, April 21, 2006, June 12, 2006, June 15, 2006, June 30, 2006, July 14, 2006, July 21, 2006, and September 15, 2006.
 - 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 July 14, 2006
 - f. Decommissioning Funding Plan's Proprietary Tables dated July 14, 2006
 - g. Security Program dated September 1, 2006, as revised by letters dated February 6, 2007, May 8, 2007, and July 18, 2007.
 - h. Fundamental Nuclear Material Control Plan dated October 16, 2006
 - i. Quality Assurance Program Description dated June 30, 2006.
11. Deleted by Amendment 2.
 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. Deleted by Amendment 2.
 14. This license will expire on the earlier of February 24, 2009, or the date on which the Agreement between the U.S. Department of Energy and the United States Enrichment Corporation for the Lease of Facilities used for the American Centrifuge Lead Cascade Facility (including any modification, extension, or replacement of the Lease) expires, terminates, or is otherwise revoked or relinquished.
 15. No later than every three years the licensee shall update the Decommissioning Funding Plan and provide it to the NRC for review. After resolution of any NRC comments, the licensee shall submit final executed copies of the financial assurance instruments.

FOR THE NUCLEAR REGULATORY COMMISSION

Date: 8/6/07

By: /RA, by P. Habighorst for/
Michael Tschiltz, Acting Deputy Director
Fuel Facility Licensing Directorate
Division of Fuel Cycle Safety and Safeguards
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

