

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 1

2. 6903 Rockledge Drive
Bethesda, MD 20817-1818

4. Expiration Date: See Condition 14

5. Docket No: 70-7003

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

A. Uranium (natural and depleted) and daughter products

A.1 Physical: Solid and Gas

A. [Redacted]

A.2 Chemical: UF₆, UF₄, UO₂F₂, oxides and other compounds

B. Uranium enriched in isotope U-235 up to 10% by weight and uranium daughters

B.1 Physical: Solid and Gas

B. [Redacted]

B.2 Chemical: UF₆, UF₄, UO₂F₂, oxides, metal and other compounds

C. Plutonium

C. Sealed Sources

C. [Redacted]

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:

[Redacted]

- [REDACTED]
- a. License Application dated February 11, 2003, as revised by letters dated November 6, 2003, January 6, 2004, January 20, 2004, February 18, 2004 and November 19, 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 UF₆ 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 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 UF₆ 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 UF₆ 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 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. The licensee shall not introduce UF₆ 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: 12/6/2004

By: Joseph G. Giltner

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

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