



June 12, 2009
AET 09-0051

ATTN: Document Control Desk
Mr. Michael F. Weber
Director, Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

**American Centrifuge Plant and Lead Cascade Facility
Docket Numbers 70-7004 and 70-7003; License Numbers SNM-2011 and SNM-7003
Supplement to Request for Written Consent to Transfer of Licenses (TAC L32498)**

USEC Inc. (USEC) hereby submits supplemental information regarding our recent application (Reference 1) for U.S. Nuclear Regulatory Commission (NRC) consent to transfer control of the subject licenses from USEC to a subsidiary limited liability company (LLC), American Centrifuge Operating, LLC, under the provisions 10 *Code of Federal Regulations* (CFR) 70.36.

The enclosed information describes a slight change in the planned structure of one of the proposed USEC subsidiaries. Instead of a single LLC responsible for both technology and manufacturing of centrifuge machines, as described in Reference 1, USEC plans to divide those responsibilities between two companies: American Centrifuge Technology, LLC (AC Technology), and American Centrifuge Manufacturing, LLC (AC Manufacturing). AC Manufacturing will be established in the near future, as a joint venture between USEC and Babcock & Wilcox Technical Services Group, Inc. This new company will provide integrated manufacturing and assembly of centrifuge machines and provide spare parts and other maintenance support services for those machines.

This further division of corporate responsibility will require minor changes to the descriptive text in Chapter 1 of the American Centrifuge Lead Cascade Facility (Lead Cascade) and the American Centrifuge Plant (ACP) License Applications, but will not require additional changes to the Material Licenses, or to the Security Program. This administrative change will have no material effect on the responsibilities or commitments of the proposed Licensee (American Centrifuge Operating, LLC).

Additionally, one of the names on the list of expected Licensee officers will be replaced. With the announcement of Mr. Russell Starkey's imminent retirement, Mr. Paul Sullivan will assume the role of Vice President, American Centrifuge, effective July 1, 2009.

Mr. Michael F. Weber
June 12, 2009
AET 09-0051, page 2

To facilitate the review of the additional change in corporate structure and executive officers since NRC's acceptance (Reference 2) of our original request, Enclosure 1 reproduces our original NUREG-1556 license transfer information and detailed description for the affected document sections and indicates the small amount of new or changed text with revision bars in the right margin. The previously submitted Justification and Significance Determination are not affected by the corporate structure and personnel changes.

Enclosure 2 provides a revised illustration of the new USEC corporate structure.

USEC respectfully requests that the NRC accept the supplemental changes to our earlier request and consent to the transfers of control of licenses in accordance with 10 CFR 70.36, at NRC's earliest convenience.

If you have any questions regarding this matter, please contact me at (301) 564-3470 or Darren E. Mays at (740) 897-3178.

Sincerely,



Peter J. Miner
Director, Regulatory and Quality Assurance

cc:

J. Downs, NRC HQ
K. Everly, NRC HQ
J. Henson, NRC Region II
B. Smith, NRC HQ
O. Siurano, NRC HQ

References:

1. USEC letter AET 09-0004, from Peter J. Miner to Michael F. Weber, dated February 10 2009, *Request for Written Consent to Transfer of Licenses*
2. NRC Email from Osiris Siurano-Perez to Peter J. Miner, dated March 27, 2009, *Acceptance Review of USEC Inc. Request for NRC Consent to Transfer Control of Licenses (AET 09-0004)*, TAC L32498

Enclosure 1 of AET 09-0051

**Transfer of Licenses and Changes to Documents,
Detailed Description, Justification, and Significance Determination**

(Supplemental changes are indicated with revision bars in right margin)

Transfer of Licenses and Changes to Documents Detailed Description, Justification, and Significance Determination

This enclosure first provides NRC-specified information about the proposed transfer of material licenses SNM-2011 and SNM-7003 from USEC Inc. to American Centrifuge Operating, LLC. It also provides the detailed description, justification, and significance determination of the proposed document changes that would be required to reflect USEC Inc.'s new corporate structure and the requested transfer of USEC's NRC-licensed interests to American Centrifuge Operating, LLC.

NUREG-1556 - Information Needed for Transfer of Control Application

The following information is submitted consistent with NUREG-1556, Volume 15 (November 2000), "Consolidated Guidance about Material License - Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses" and in response to the Appendix F questions from that NUREG.

1. *Provide a complete description of the transaction (transfer of stocks or assets, or merger). Indicate whether the name has changed and include the new name. Include the name and telephone number of a licensee contact who NRC may contact if more information is needed.*

USEC Inc. (USEC) has created new subsidiaries to carry out future commercial activities related to the American Centrifuge project (the Project). Enclosure 3 illustrates the corporate relationship between the parent company, USEC, and the new subsidiaries that will own the American Centrifuge Lead Cascade Facility (the Lead Cascade) and American Centrifuge Plant (ACP) and equipment, provide operations and maintenance services, manufacture centrifuge machines and conduct ongoing centrifuge research and development. This corporate structure will separate ownership and control of centrifuge technology from ownership of the enrichment plant and also establish a separate operations subsidiary. This structure will facilitate financing and potential third party investment at the project level, while also facilitating any future plant expansion.

For the Project, USEC has *or will* establish American Centrifuge Holdings, LLC (AC Holdings), American Centrifuge Operating, LLC (AC Operating), American Centrifuge Technology, LLC (AC Technology), ***American Centrifuge Manufacturing, LLC (AC Manufacturing)***, and American Centrifuge Enrichment, LLC (AC Enrichment). AC Holdings, AC Operating, AC Technology, and AC Enrichment are limited liability companies under the laws of Delaware. AC Holdings is a subsidiary of USEC. AC Operating, AC Technology and AC Enrichment are subsidiaries of AC Holdings. ***AC Holdings will own a majority of AC Manufacturing (as a joint venture with Babcock & Wilcox Technical Services Group, Inc.)***. Following receipt of necessary approvals, these *five* companies will hold all assets, rights and obligations connected with the Project. This structure will accommodate any third party investment in the American Centrifuge project.

The licenses, contracts and facilities needed to complete and operate the Project are now held by USEC in anticipation of the transfer of these assets to AC Holdings and its subsidiaries upon completion of required regulatory and financing transactions.

Following the transfer of assets by USEC, AC Enrichment will own the centrifuges and other equipment related to the Project, and will have the contracts for the construction of the ACP and with other vendors needed to complete deployment of the Project. AC Enrichment will establish logistical agreements with United States (U.S.) and foreign natural uranium converters and nuclear fuel fabricators to ensure the smooth flow of material and enter into long-term contracts for the sale of the ACP's output to U.S. and foreign utilities. Title to uranium will be held by AC Enrichment, its customers and other contracting parties. It is currently contemplated that AC Enrichment will be the borrower under any financing arrangement.

AC Enrichment will purchase the centrifuges from AC *Manufacturing*. AC Technology will hold the intellectual property rights to the American Centrifuge technology and will continue the technology development activities now being conducted by USEC in Tennessee. AC *Manufacturing* will have the contracts and facilities necessary to manufacture and assemble the centrifuge machines. The workers necessary for technology development and manufacturing of centrifuge machines will work for AC Technology, AC *Manufacturing*, or *their* contractors.

AC Operating will operate and maintain the Lead Cascade and the ACP (including disposing of depleted uranium resulting from its operation) under contract with AC Enrichment. AC Enrichment will have no employees. AC Operating, not AC Enrichment, will control the centrifuge machines, uranium, the Lead Cascade, the ACP, and the licensed facilities and materials. Following approval by NRC and DOE and the transfer of assets, AC Operating will hold the sublease with respect to the licensed facilities in Piketon, Ohio, and regulatory licenses, including the NRC licenses, required to construct and operate the Lead Cascade and the ACP. The workers necessary to operate the Lead Cascade and the ACP in Piketon will work for AC Operating or its qualified contractors. Copies of executed financial instruments required under NRC regulations or as conditions to the material licenses will be provided within 60 days of NRC approval of the transfer of license, for new or transferred financing associated with the material licenses.

Following implementation of the proposed transactions, the new name of the licensed organization will be:

American Centrifuge Operating, LLC

The physical and postal addresses for the American Centrifuge Plant and the American Centrifuge Lead Cascade Facility will remain:

3930 U.S. Rt. 23 S.
Post Office Box 628
Piketon, Ohio 45661-0628

The person to contact if more information is needed is:

Peter J. Miner, Director, Regulatory and Quality Assurance, at (301) 564-3470.

- 2. Describe any changes in personnel or duties that relate to the licensed program. Include training and experience for new personnel.*

There are no planned changes in personnel or duties associated with the corporate restructuring and proposed transfer of material licenses from the parent company, USEC Inc., to the subsidiary company, American Centrifuge Operating, LLC.

At the time of the transfer of the material licenses, the Boards of Control of the LLCs will be comprised of senior executive officers of USEC Inc. and corporate board members. Senior executives and managers described in the license applications will remain the same. The qualifications, responsibilities, and authorities for managerial positions that have the principal responsibilities important to the Project environmental, health, safety, safeguards, security, and quality will not be changed by the proposed transfer. Personnel may become employees of AC Operating or may remain employees of USEC and seconded by USEC to AC Operating without altering such employee's job description, responsibilities or authorities.

- 3. Describe any changes in the organization, location, facilities, equipment or procedures that relate to the licensed program.*

No physical changes will be made to the Lead Cascade or ACP location, facilities or equipment, and there will be no technical changes in current programs, procedures or in the day-to-day conduct of operations of the facilities as a result of the proposed transfer of licenses. AC Enrichment will become the titled owner of the material inventory, but there are no changes in the use, possession, location or storage of the licensed materials to occur in connection with the transaction. The NRC licensed activities, described in the current License Application and supporting documents, will be the same before and after the transfer.

The changes involve corporate restructuring and transfer of the licenses from the parent company to the subsidiary company that will be responsible for operation of the facilities. The proposed transfers will not have any adverse impact on the public health and safety, or be inimical to the common defense and security.

4. *Describe the status of the surveillance program (surveys, wipe tests, quality control) at the present time and the expected status at the time that control is to be transferred.*

There will be no changes to status of the surveillance program. Surveillance items and records will continue to be maintained the same as before the transfer.

5. *Confirm that all records concerning the safe and effective decommissioning of the facility will be transferred to the transferee or to NRC, as appropriate. These records include documentation of surveys of ambient radiation levels and fixed and/or removable contamination, including methods and sensitivity.*

USEC confirms that all records concerning the safe and effective decommissioning of the Lead Cascade and ACP facilities will be transferred and will remain available to AC Operating after the transfer of the licenses.

6. *Confirm that the transferee will abide by all constraints, conditions, requirements and commitments of the transferor or that the transferee will submit a complete description of the proposed licensed program.*

AC Operating will abide by all constraints, conditions, requirements, and commitments of USEC's present NRC licenses. With regard to any open inspection items, AC Operating will assume full responsibility for such items and any resulting NRC actions.

Detailed Description of Proposed Changes

USEC Inc. (USEC) has *or will* establish *five new companies*; American Centrifuge Holdings, LLC (AC Holdings), American Centrifuge Operating, LLC (AC Operating), American Centrifuge Technology, LLC (AC Technology), *American Centrifuge Manufacturing, LLC (AC Manufacturing)* and American Centrifuge Enrichment, LLC (AC Enrichment). AC Holdings, AC Operating, AC Technology, *AC Manufacturing*, and AC Enrichment are all limited liability companies under the laws of Delaware. AC Holdings will be a subsidiary of USEC Inc. and AC Operating, AC Technology, and AC Enrichment will be subsidiaries of AC Holdings. *AC Holdings will own a majority of AC Manufacturing (as a joint venture with Babcock & Wilcox Technical Services Group, Inc.)*. Together, these *five* companies will hold all assets, rights and obligations connected with the American Centrifuge Project. See in Enclosure 4 for diagram of how responsibilities will be divided.

Following the transfer of assets by USEC, AC Enrichment will own the centrifuges and other equipment and materials related to the Project, and will have the contracts for the construction of the ACP and with other vendors needed to complete deployment of the Project. Title to uranium will be held by AC Enrichment, its customers and other contracting parties. AC Enrichment will purchase the centrifuges from AC *Manufacturing*. AC Enrichment will also be party to agreements with AC Operating pursuant to which AC Operating will operate and maintain the Lead Cascade and the ACP (including disposing of depleted uranium resulting from its operation.) AC Enrichment will have no employees. AC Operating, not AC Enrichment, will control the centrifuge machines, uranium, the Lead Cascade, the ACP, and the licensed facilities and materials.

Following approval by DOE and NRC and the transfer of assets by USEC, AC Operating will hold the sublease with respect to the licensed facilities in Piketon, Ohio, and the regulatory licenses, including the NRC licenses, required to construct and operate the Lead Cascade and the ACP. The workers necessary to operate the Lead Cascade and the ACP in Piketon will work for AC Operating or its affiliates or contractors. In addition, AC Enrichment will enter into logistical agreements with U.S. and foreign natural uranium converters and nuclear fuel fabricators to ensure the smooth flow of material.

AC Technology will hold the intellectual property rights to the American Centrifuge technology and will continue the technology development activities now being conducted by USEC in Tennessee. *AC Manufacturing* will have the contracts and facilities necessary to manufacture and assemble the centrifuge machines. The workers necessary for technology development and manufacturing of centrifuge machines will work for AC Technology, *AC Manufacturing*, or *their* contractors.

With NRC approval of the transfer, the Licensee for the Lead Cascade and the ACP will be changed from "USEC Inc." to "American Centrifuge Operating, LLC". The following document text changes are proposed to reflect the changes in corporate structure and transfer of the material licenses from USEC Inc. to American Centrifuge Operating, LLC.

The proposed changes to the Material Licenses and License Applications are identified by the following method:

- **Strikeout** - Identifies text to be removed
- **Bold underline** - Identifies text to be added.
- **Italic (and revision bar)**- *Identifies text added/modified by this supplemental change.*

1. ACP Material License, SNM-2011

(Unchanged from mark-ups in Enclosure 1 of USEC letter AET 09-0004, dated February 10, 2009.)

2. Lead Cascade Material License, SNM-7003, Amendment 4

(Unchanged from mark-ups in Enclosure 1 of USEC letter AET 09-0004, dated February 10, 2009.)

3. ACP License Application, LA-3605-0001

a. In the Executive Summary

(Unchanged from mark-ups in Enclosure 1 of USEC letter AET 09-0004, dated February 10, 2009.)

b. In Section 1.2

(Unchanged from mark-ups in Enclosure 1 of USEC letter AET 09-0004, dated February 10, 2009.)

c. In Section 1.2.1, change the text as follows:

1.2.1 Corporate Identity

USEC Inc. is a global energy company and **a leading supplier of enriched uranium fuel for commercial nuclear power plants. USEC Inc. was organized in 1998 under Delaware law in connection with the privatization of the United States Enrichment Corporation. USEC Inc.'s subsidiaries, United States Enrichment Corporation, NAC International, Inc., and American Centrifuge Holdings, LLC are also registered companies in the State of Delaware.** ~~its subsidiary, the United States Enrichment Corporation, is the world's leading supplier of enriched uranium fuel for commercial nuclear power plants. USEC, including its wholly owned subsidiaries, was organized under Delaware law in connection with the privatization of the United States Enrichment Corporation.~~

~~USEC is responsible for the design, quality assurance, refurbishment/construction, manufacturing, testing, start-up, operation, maintenance, and decommissioning of the ACP in Piketon, Ohio.~~

USEC Inc.'s principal office is located at 6903 Rockledge Drive, Bethesda, MD 20817. USEC Inc. is listed on the New York Stock Exchange under the ticker symbol USU. Private and institutional investors own the outstanding shares of USEC Inc. The principal officers of USEC Inc. are listed below and are citizens of the United States.

John K. Welch, President and Chief Executive Officer
Philip G. Sewell, Senior Vice President
Robert Van Namen, Senior Vice President
John C. Barpoulis, Senior Vice President and Chief Financial Officer
W. Lance Wright, Senior Vice President
Peter B. Saba, Vice President, General Counsel and Secretary

~~The mailing address for the ACP is:~~

~~USEC Inc.
American Centrifuge Plant
P. O. Box 628
Piketon, Ohio 45661~~

~~The NRC has issued Certificates of Compliance to the United States Enrichment Corporation, a wholly owned subsidiary of USEC, to operate the Paducah and Portsmouth GDPs (Docket Numbers 70-7001 and 70-7002, respectively). Consistent with the requirements in 10 CFR 76.22 and in connection with the issuance of these Certificates, †The NRC has determined that USEC Inc. is neither owned, controlled, nor dominated by an alien, a foreign corporation, or a foreign government.~~

~~Issuance of a license to USEC would be consistent with the requirements of 10 CFR 40.38 and 70.40, since the NRC concluded that USEC has satisfied similar requirements in 10 CFR 76.22. Furthermore, more recently the NRC has issued a license to USEC to operate the Lead-Cascade Demonstration Facility (Docket No. 70-7003) pursuant to 10 CFR Part 70. There have been no changes in ownership or control that would invalidate the NRC's previous findings.~~

~~Further, issuance of a license would not be inimical to the common defense and security of the United States or to the maintenance of a reliable and economical domestic source of enrichment services. To the contrary, issuance will support those important goals. Commercial deployment of American Centrifuge technology by USEC will help ensure the United States will continue to maintain a reliable and economic, domestic source of enriched uranium. Deployment of the ACP is in furtherance of the goals of the June 17, 2002, DOE-USEC Agreement to "facilitate the deployment of new, cost-effective advanced enrichment technology in the United States on a rapid schedule." It will enable USEC to deploy a modern, efficient and reliable enrichment plant to supplement and replace its current 50+ year-old GDPs.~~

With the exception of a sublease of the American Centrifuge Plant and the Lead Cascade facilities in Piketon, Ohio, the operation and control of United States Enrichment Corporation and NAC International, Inc. are separate from that of American Centrifuge Holdings, LLC.

USEC Inc. established *five* limited liability companies: American Centrifuge Holdings, LLC (AC Holdings), American Centrifuge Operating, LLC (AC Operating or the Licensee), American Centrifuge Technology, LLC (AC Technology), *American Centrifuge Manufacturing, LLC (AC Manufacturing)*, and American Centrifuge Enrichment, LLC (AC Enrichment). The Certificates of Formation for each of the limited liability companies are filed in the State of Delaware.

AC Holdings is a subsidiary of USEC Inc. and AC Operating, AC Enrichment, and AC Technology are subsidiaries of AC Holdings. *AC Holdings will own a majority of AC Manufacturing (as a joint venture with Babcock & Wilcox Technical Services Group, Inc.)*. Together, these *five* companies will hold all assets, rights and obligations connected with the centrifuge projects. This structure will accommodate any third party investment in the American Centrifuge project. The principal place of business for AC Holdings and its subsidiaries is 6903 Rockledge Drive, Bethesda, MD 20817.

AC Technology holds the intellectual property rights to the American Centrifuge technology, and conducts the technology development activities. *AC Manufacturing* will hold the contracts for manufacturing and assembling centrifuge machines. Final assembly of the machines will occur at ACP leased facilities. Workers necessary for technology development and manufacturing of centrifuge machines will work for AC Technology, *AC Manufacturing*, or *their* contractors.

AC Enrichment will own the centrifuges and other equipment and materials related to the centrifuge projects, and will have the contracts for the construction of the ACP and with other vendors needed to complete deployment of the American Centrifuge Project. Title to uranium will be held by AC Enrichment, its customers and other contracting parties. AC Enrichment purchases the centrifuges from AC Technology. AC Enrichment will also be party to agreements with the Licensee pursuant to which the Licensee will operate and manage the plant and AC Enrichment's contracts with third parties.

AC Enrichment is structured like a corporation with a Board of Control and a slate of officers. AC Enrichment is a subsidiary of AC Holdings. It is currently contemplated that AC Enrichment will be the borrower under any financing arrangement. Currently there are no third party investors. Although AC Enrichment has officers and a Board, it will not have any employees. AC Operating, not AC Enrichment, will control the centrifuge machines, uranium, the Lead Cascade, and the ACP. AC Operating, the Licensee, will maintain possession and control of the licensed facilities and materials.

AC Operating, the Licensee, is structured like a corporation with a Board of Control and managing officers. The Licensee is a subsidiary of AC Holdings and it is

not anticipated to have third party investors. The Licensee is contracted by AC Enrichment to manage, operate and maintain the ACP (including disposing of depleted uranium resulting from its operation) and AC Enrichments' contracts with third parties. The officers of the licensee are citizens of the United States.

The Licensee's principal officers are expected to be:

John K. Welch, President and Chief Executive Officer
John C. Barpoulis, Senior Vice President and Chief Financial Officer
Philip G. Sewell, Senior Vice President
Robert Van Namen, Senior Vice President
W. Lance Wright, Senior Vice President
Peter B. Saba, Vice President, General Counsel and Secretary
Paul E. Sullivan, Vice President

The Licensee will hold the regulatory licenses, including the NRC license, required to construct and operate American Centrifuge projects. The workers necessary to operate the centrifuge facilities in Piketon will work for the Licensee or its affiliates or contractors.

The mailing address for the Licensee at the American Centrifuge Plant is:

American Centrifuge Operating, LLC
American Centrifuge Plant
P. O. Box 628
Piketon, Ohio 45661-0628

d. In Section 1.2.1.1

(Unchanged from mark-ups in Enclosure 1 of USEC letter AET 09-0004, dated February 10, 2009.)

e. In Section 1.2.1.2

(Unchanged from mark-ups in Enclosure 1 of USEC letter AET 09-0004, dated February 10, 2009.)

f. In Section 1.2.2

(Unchanged from mark-ups in Enclosure 1 of USEC letter AET 09-0004, dated February 10, 2009.)

4. Lead Cascade License Application, LA-2605-0001

- a. In the Executive Summary

(Unchanged from mark-ups in Enclosure 1 of USEC letter AET 09-0004, dated February 10, 2009.)

- b. In Section 1.2

(Unchanged from mark-ups in Enclosure 1 of USEC letter AET 09-0004, dated February 10, 2009.)

- c. In Section 1.2.1

1.2.1 Corporate Identity

USEC Inc. is a global energy company and ~~the world's a~~ leading supplier of enriched uranium fuel for commercial nuclear power plants. ~~USEC, Inc. including its wholly owned subsidiaries,~~ was organized in 1998 under Delaware law in connection with the privatization of ~~the Corporation~~ the United States Enrichment Corporation. USEC Inc.'s subsidiaries, United States Enrichment Corporation, NAC International, Inc., and American Centrifuge Holdings, LLC are also registered companies in the State of Delaware.

~~USEC is responsible for the design, quality assurance, refurbishment/construction, manufacturing, testing, startup, operation, and maintenance of the Lead Cascade that is located at PORTS. PORTS is being maintained in Cold Standby status by the Corporation (a wholly owned subsidiary of USEC) under contract to the DOE.~~

USEC Inc.'s ~~principle~~ principal office is located at 6903 Rockledge Drive, Bethesda, MD 20817. USEC Inc. is listed on the New York Stock Exchange under the ticker symbol USU. Private and institutional investors own all outstanding shares of USEC Inc. The principal officers of USEC Inc. are listed below and all are citizens of the United States.

John K. Welch, President and Chief Executive Officer
W. Lance Wright, Senior Vice President
Philip G. Sewell, Senior Vice President
Robert Van Namen, Senior Vice President
John C. Barpoulis, Senior Vice President and Chief Financial Officer
Peter B. Saba, Vice President, General Counsel and Secretary

~~The NRC has issued Certificates of Compliance to the Corporation to operate the Paducah and Portsmouth Gaseous Diffusion Plants (Docket Numbers 70-7001 and 70-7002, respectively). Consistent with the requirements in 10 CFR 76.22 and in connection with the~~

~~issuance of these Certificates,~~ The NRC has determined that USEC Inc. is neither owned, controlled, nor dominated by an alien, a foreign corporation, or a foreign government.

With the exception of a sublease of the American Centrifuge Plant and the Lead Cascade facilities in Piketon, Ohio, the operation and control of United States Enrichment Corporation and NAC International, Inc. are separate from that of American Centrifuge Holdings, LLC.

USEC Inc. established five limited liability companies: American Centrifuge Holdings, LLC (AC Holdings), American Centrifuge Operating, LLC (AC Operating), American Centrifuge Technology, LLC (AC Technology), *American Centrifuge Manufacturing, LLC (AC Manufacturing)*, and American Centrifuge Enrichment, LLC (AC Enrichment). The Certificates of Formation for each of the limited liability companies are filed in the State of Delaware.

AC Holdings is a subsidiary of USEC Inc. and AC Operating, AC Enrichment, and AC Technology are subsidiaries of AC Holdings. *AC Holdings will own a majority of AC Manufacturing (as a joint venture with Babcock & Wilcox Technical Services Group, Inc.)*. Together, these five companies will hold all assets, rights and obligations connected with the centrifuge projects. This structure will accommodate any third party investment in the American Centrifuge project. The principal place of business for AC Holdings and its subsidiaries is 6903 Rockledge Drive, Bethesda, MD 20817.

AC Technology holds the intellectual property rights to the American Centrifuge technology, and conducts the technology development activities. AC *Manufacturing* will hold the contracts for manufacturing and assembling centrifuge machines. Final assembly of the machines will occur at ACP leased facilities. Workers necessary for technology development and manufacturing of centrifuge machines will work for AC Technology, *AC Manufacturing* or their contractors.

AC Enrichment will own the centrifuges and other equipment and materials related to the centrifuge projects, and will have the contracts for the construction of the plant and with other vendors needed to complete deployment of the American Centrifuge Project. Title to uranium will be held by AC Enrichment, its customers and other contracting parties. AC Enrichment purchases the centrifuges from AC Technology. AC Enrichment will also be party to agreements with the Licensee pursuant to which the Licensee will operate and manage the plant and AC Enrichment's contracts with third parties.

AC Enrichment is structured like a corporation with a Board of Control and a slate of officers. AC Enrichment is a subsidiary of AC Holdings. It is currently contemplated that AC Enrichment will be the borrower under any financing arrangement. Currently there are no third party investors. Although AC Enrichment has officers and a Board, it will not have any employees. AC Operating, not AC Enrichment, will control the centrifuge machines, uranium, the Lead Cascade, and the ACP. AC Operating, the Licensee, will maintain possession and control of the licensed facilities and materials.

AC Operating, the Licensee, is structured like a corporation with a Board of Control and managing officers. The Licensee is a subsidiary of AC Holdings and it is not anticipated to have third party investors. The Licensee is contracted by AC Enrichment to manage, operate and maintain the Lead Cascade (including disposing of depleted uranium resulting from its operation) and AC Enrichments' contracts with third parties. The officers of the Licensee are citizens of the United States.

The Licensee's principal officers are expected to be:

John K. Welch, President and Chief Executive Officer

John C. Barpoulis, Senior Vice President and Chief Financial Officer

Philip G. Sewell, Senior Vice President

Robert Van Namen, Senior Vice President

W. Lance Wright, Senior Vice President

Peter B. Saba, Vice President, General Counsel and Secretary

Paul E. Sullivan, Vice President

The Licensee will hold the regulatory licenses, including the NRC license, required to construct and operate the project. The workers necessary to operate the centrifuge facilities in Piketon will work for the Licensee or its affiliates or contractors.

The mailing address for the Lead Cascade ~~Project~~ Facility is:

~~USEC Inc.~~ American Centrifuge Operating, LLC

American Centrifuge Lead Cascade Facility ~~Lead Cascade Project~~

P. O. Box 628

Piketon, Ohio 45661-0628

d. In Section 1.2.1.1

(Unchanged from mark-ups in Enclosure 1 of USEC letter AET 09-0004, dated February 10, 2009.)

e. In Section 1.2.2

(Unchanged from mark-ups in Enclosure 1 of USEC letter AET 09-0004, dated February 10, 2009.)

Justification for Proposed Changes

(Justification for Proposed Changes is unaffected by the additional changes to corporate structure and listed officers and remains the same as stated in Enclosure 1 of USEC letter AET 09-0004, dated February 10, 2009.)

Significance Determination for Proposed Changes

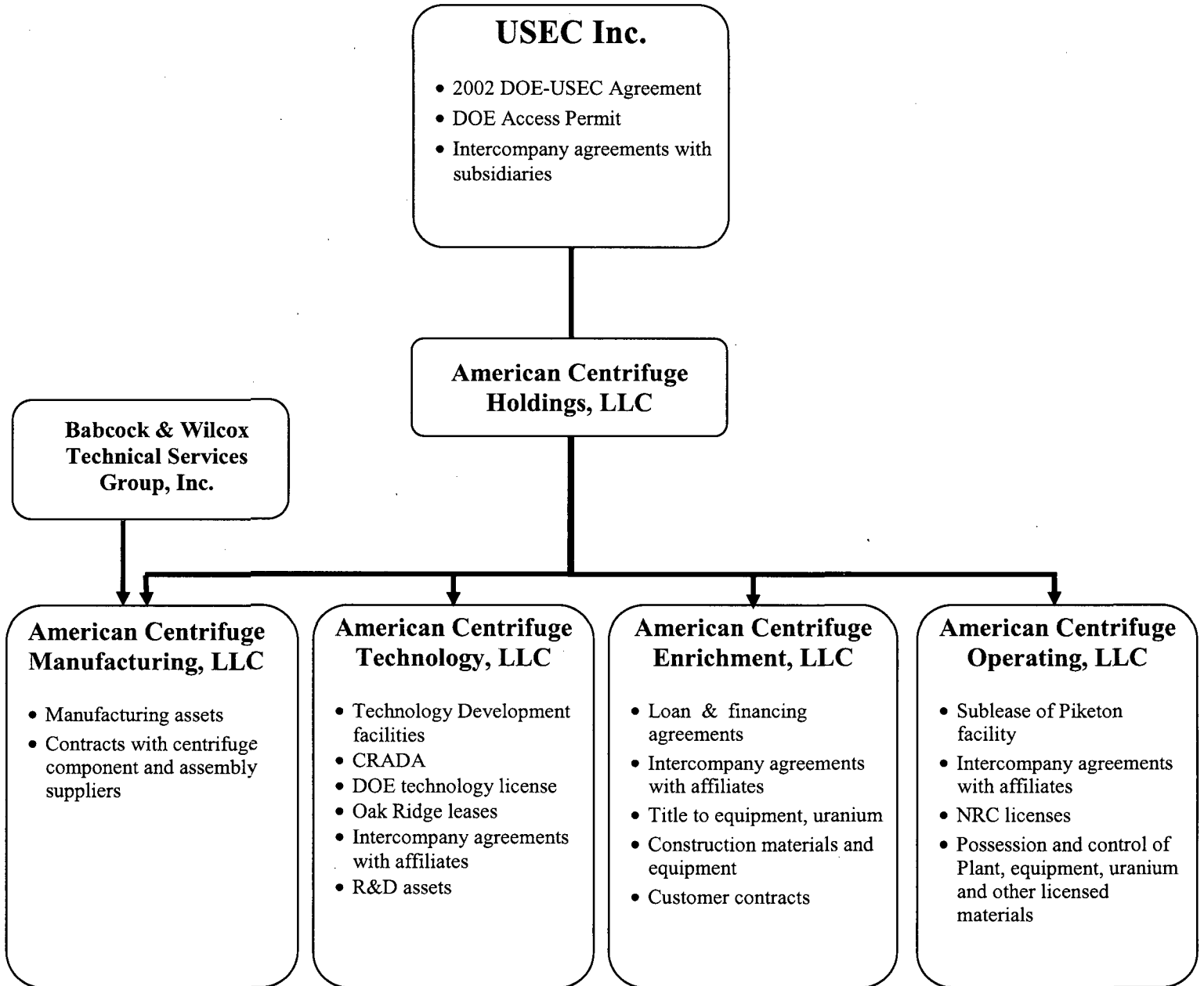
(Significance Determination is unaffected by the additional changes to corporate structure and listed officers and remains the same as stated in Enclosure 1 of USEC letter AET 09-0004, dated February 10, 2009.)

Changes to Security Program

(The Security Program is unaffected by the additional changes to corporate structure and listed officers, and remains unchanged from the mark-ups included in Enclosure 2 of USEC letter AET 09-0004, dated February 10, 2009.)

Enclosure 2 of AET 09-0051

Illustration of USEC Corporate Structure, including 5th new LLC



Division of Responsibility