



October 4, 2010
GDP 10-0044

ATTN: Document Control Desk
Ms. Catherine Haney
Director, Office of Nuclear Material,
Safety and Safeguards
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Paducah Gaseous Diffusion Plant (PGDP)
Portsmouth Gaseous Diffusion Plant (PORTS)
Docket Numbers 70-7001 and 70-7002
Certificate Numbers GDP-1 and GDP-2

**Request for Confirmation of Absence of Direct or Indirect Transfer of Ownership
or Control**

Dear Ms. Haney:

Purpose

The purpose of this letter is to formally request U.S. Nuclear Regulatory Commission (NRC) confirmation that the final phase (Phase 2) of the anticipated financial investment in USEC Inc. (USEC) by Toshiba Corporation, through its U.S. affiliate Toshiba American Nuclear Energy Corp. (TANE), and The Babcock & Wilcox Investment Company (BWIC), an affiliate of the Babcock & Wilcox Company, would not constitute a direct or indirect transfer or assignment of ownership or control of the certificates of compliance held by the United States Enrichment Corp. and thus, would not require any prior written NRC consent pursuant to Section 184 of the Atomic Energy Act or 10 *Code of Federal Regulations* (CFR) 76.65.

Background

In a letters dated May 21, 2010 (Reference 1) and May 28, 2010 (Reference 2), USEC and the United States Enrichment Corp. provided the NRC with information concerning the financial investment in USEC by TANE and BWIC. Our June 21, 2010 letter (Reference 3) provided the Shareholders Agreement to support NRC's review of the financial investment. Subsequently on July 29, 2010 (Reference 4) the NRC issued its Safety Evaluation Report which concluded that the subject financial transaction and

NIMSS01

Ms. Catherine Haney
October 4, 2010
GDP 10-0044, Page 2

related ownership interest transfer does not involve a transfer, direct or indirect, of the operating licenses and Certificates of Compliance, pursuant to 10 CFR 70.36 or 76.65, respectively. The NRC staff also concluded that the subject financial transaction and related ownership interest transfer will not affect the qualifications of USEC and/or the United States Enrichment Corp. as the licensee and certificate holder, respectively, and that the subject transaction and ownership interest transfer otherwise is consistent with applicable provisions of law, regulations, and orders issued by the Commission. As a result, no NRC consent was required for the described actions.

Discussion

The United States Enrichment Corp. requests NRC review of the third phase (referred to as Phase 2 in Reference 1) of the transaction. The transaction is described in more detail in USEC letter AET 10-0039 (Reference 5). We believe that this phase of the transaction, like the initial two phases, will also not require any formal NRC consent. The closing on the third phase of the transaction is expected to be simultaneous with the closing on a loan guarantee by the U.S. Department of Energy.

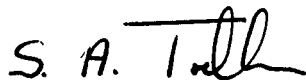
Action

USEC respectfully requests that the NRC concur, by January 14, 2011, that no such consent would be required for Phase 2 to support closing on this phase of the transaction. We would be pleased to answer any questions that the NRC may have regarding the planned transaction.

Contact

If you have any questions regarding this matter, please contact me at (301) 564-3250.

Sincerely,

A handwritten signature in black ink, appearing to read "S. A. Toelle".

Steven A. Toelle
Director, Regulatory Affairs

cc: T. Liu, NRC HQ
B. Smith, NRC HQ
J. Henson, NRC Region II

References: 1. USEC letter from Peter J. Miner to Catherine Haney (NRC) regarding Request for Confirmation of Absence of Direct or Indirect Transfer of Ownership or Control, dated May 21, 2010

Ms. Catherine Haney
October 4, 2010
GDP 10-0044, Page 3

2. USEC letter USEC 10-0001 from Peter J. Miner to Catherine Haney (NRC) regarding Submittal of Transaction Documents in Support of NRC Review, dated May 28, 2010
3. USEC letter USEC 10-0002 from Peter J. Miner to Catherine Haney (NRC) regarding Submittal of Shareholders Agreement in Support of NRC Review, dated June 21, 2010 ()
4. NRC letter from Michael D. Tschiltz to Peter J. Miner (USEC) regarding Request for Confirmation of Absence of Direct or Indirect Transfer of Ownership or Control (TAC NO. L32989), dated July 29, 2010
5. USEC letter AET 10-0039 from Peter J. Miner to Catherine Haney (NRC) regarding Request for Written Consent to Transfer of Licenses, dated September 3, 2010