

February 8, 2011

Mr. Steve A. Toelle, Director
Regulatory Affairs
United States Enrichment Corporation
6903 Rockledge Drive
Bethesda, MD 20817-1818

SUBJECT: REVIEW OF PHASE 2 OF THE TOSHIBA AMERICAN NUCLEAR ENERGY CORPORATION AND THE BABCOCK & WILCOX INVESTMENT COMPANY INVESTMENT IN USEC INC. (TAC NO. L33027)

Dear Mr. Toelle:

I am responding to your October 4, 2010 (GDP 10-0044), letter requesting that the U.S. Nuclear Regulatory Commission (NRC) review and confirm that Phase 2 of the Toshiba American Nuclear Energy Corporation (TANE) and the Babcock & Wilcox Investment Company (BWIC) investment does not require prior written NRC consent under Section 184 of the Atomic Energy Act of 1954, as amended, or Title 10 of the *Code of Federal Regulations* (10 CFR) 76.65, "Inalienability of Certificates."

The NRC staff completed its review of your request. Based on its evaluation of the information provided, the NRC staff determined that the proposed financial transaction (Phase 2) and possible related ownership interest transfer in the sale of nonvoting preferred stock, as described in USEC Inc. letter dated September 10, 2010 (AET 10-0039), do not involve a transfer, direct or indirect, of the certificates of compliance for the Paducah gaseous diffusion plant (GDP-1) and the Portsmouth gaseous diffusion plant (GDP-2). Accordingly, NRC staff evaluation confirmed that prior NRC consent for these transactions is not required.

It should be noted that if TANE and BWIC preferred stocks are sold and converted into ordinary common stock, the conversion of the preferred stock and sale of the ordinary common stock must take place within the same day subject to the New York Stock Exchange 3 day settlement period. If such conversion and sale is not completed within the same day, NRC's threshold determination of the referenced investment will be invalidated and, as such, USEC puts itself in jeopardy of potentially violating the provisions of 10 CFR 70.36.

This action completes the efforts on TAC L33027. If you have any questions, please contact Mr. Osiris Siurano at (301) 492-3117, or e-mail Osiris.siurano-perez@nrc.gov.

S. Toelle

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In accordance with 10 CFR 2.390, "Public Inspections, Exemptions, Requests for Withholding," of NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the publicly available records component of NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Sincerely,

/RA/

Michael D. Tschiltz, Deputy Director
Fuel Facility Licensing Directorate
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket Nos. 70-7001, 70-7002
Certificate of Compliance Nos. GDP-1, GDP-2

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Sincerely,

/RA/

Michael D. Tschiltz, Deputy Director
 Fuel Facility Licensing Directorate
 Division of Fuel Cycle Safety
 and Safeguards
 Office of Nuclear Material Safety
 and Safeguards

Docket Nos. 70-7001, 70-7002
 Certificate of Compliance Nos. GDP-1, GDP-2

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