



The Secretary of Energy
Washington, DC 20585

January 13, 2012

The Honorable Sherrod Brown
United States Senate
Washington, DC 20510

Dear Senator Brown:

Thank you for your letter regarding the proposed Research, Development, and Demonstration (RD&D) plan for the American Centrifuge Project (ACP) in Piketon, Ohio. I continue to believe ACP offers an innovative technology approach to uranium enrichment that offers both national security and economic benefits. The Department's proposed RD&D work is the best way to help ACP achieve commercial viability by reducing technical and financial risks associated with the project.

As you know, in October the Department of Energy and USEC asked Congress to allow the Department to use \$150 million in fiscal year 2012 from our existing funds and the transfer authority to re-allocate funds within our existing budget to support the ACP research partnership that would enable the project to reduce its technical and financial risks by finalizing machine designs and demonstrating the technology and key systems on a larger scale. Unfortunately, Congress did not give the Department authority to proceed in this manner.

Because the project has strong commercial potential and because its success would strengthen and protect America's national security interests, we want to continue working with Congress to secure approval for this research effort. To make a down payment on the research effort while giving Congress the additional time it needs to act, the Department has decided to use its administrative authority to provide near term assistance. Specifically, the Department will assume \$44 million in liability for uranium tails while taking precautions to protect taxpayers. Transfer authority will still be necessary to complete the full research effort.

With additional time, and strong backing from leaders in Congress, we hope that Congress will approve transfer authority to allow DOE to use its own funds to conduct RD&D on advanced enrichment technology.

In the absence of Congressional action to provide DOE the necessary transfer authority, the company asserts that the project and the jobs it supports are in jeopardy; demobilization of the project could entail significant risk that the project could not



successfully be restarted. I urge Congress to act as swiftly as possible to provide the needed transfer authority so that we can use funds from our existing budget to fund the full RD&D program.

I thank you for your efforts to support a domestic uranium enrichment capacity in order to advance our energy, economic, and national security interests. I remain hopeful that by working together, and with prompt action by Congress, we can succeed in making the full RD&D program a reality. Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven Chu". The signature is fluid and cursive, with the first name "Steven" and the last name "Chu" clearly distinguishable.

Steven Chu

cc: The Honorable Daniel K. Inouye
Chairman, Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Thad Cochran
Ranking Member
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Dianne Feinstein
Chairman, Subcommittee on Energy and Water Development
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Lamar Alexander
Ranking Member, Subcommittee on Energy and Water Development
Committee on Appropriations
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