

From: [Downs, James](#)
To: [Hernandez, Antonia](#)
Subject: FW: ACP License
Date: Thursday, August 09, 2012 2:58:18 PM

From: Sea, Geoffrey
Sent: Monday, June 18, 2012 9:08 AM
To: Siurano-Perez, Osiris
Subject: Re: ACP License

Mr. Siurano,

Thank you, I appreciate your fast reply.

The key question for USEC, in my opinion, is why USEC has chosen to create yet another subsidiary, American Centrifuge Demonstration LLC, instead of activating the subsidiary AC LLC, for which USEC had already obtained NRC approval for a license transfer. Since AC LLC had not been activated, USEC could have structured that subsidiary however it wanted.

The answer to this question appears to be that USEC received a \$44 million liability waiver in March 2012 on the understanding that the resultant cash would be spent on the RD&D program with government-mandated cost controls. USEC should therefore have activated AC LLC at that time, notified NRC to obtain completed license transfer, and placed the federal funding into the AC LLC account.

However, USEC did not do that, as USEC needed to March funds to pay general corporate expenses. As best as can be determined, USEC used those funds placed in general corporate funds to pay expenses unrelated to RD&D.

That appears to have created the need now to create a new subsidiary in hopes of evading questions about how the March funds were misspent and why the AC LLC subsidiary was not created at that time.

This goes directly to the question of financial capacity. USEC's extreme financial distress as expressed to DOE and Congress, along with objective developments like the NYSE de-listing notice and statements made in the Parsons report about USEC financial capacity all demonstrate that USEC cannot now meet any baseline test of financial adequacy in order to qualify for an NRC license on safety grounds. The financing USEC has already received from DOE has either been mis-allocated, as with the March funds, or is now subject to legal challenge, or terms imposed by USEC's creditors. Therefore even the new DOE allocation to USEC is not secure and is also contingent on additional congressional appropriations.

Southern Ohio Neighbors Group calls upon NRC to:

1. Subject any request to transfer licenses to a new subsidiary to extreme scrutiny including public hearings in Piketon. The newly proposed ACD LLC cannot be considered the same entity as the previously proposed AC LLC.
2. Suspend all current construction and operating licenses until such time as USEC's financial adequacy are definitively resolved.
3. End the charade and publicly reveal the extraordinary history of irregularities in this project, including non-cooperation by DOE in sharing crucial information with NRC, and the bizarre mistake of USEC requesting a license for a full-scale commercial facility before its demonstration project had even been begun.

4. Minimally, the ACP commercial scale license issued in 2007 should be revoked and nullified. If and when USEC's demonstration proves commercially viable, whatever entity is in charge of the project should apply for a commercial license at that time. Warning that the inversion of the process would lead to precisely this kind of confusion and illegality was given in my petition of intervention in 2005. NRC should have the integrity to acknowledge now that I was precisely correct then.

Thank you for your diligence.

Geoffrey Sea
Piketon, Ohio