

May 22, 1998

Mr. James H. Miller  
Vice President, Production  
United States Enrichment Corporation  
Two Democracy Center  
6903 Rockledge Drive  
Bethesda, Maryland 20817

SUBJECT: FINAL CONDITIONAL FOREIGN OWNERSHIP, CONTROL OR INFLUENCE  
APPROVAL FOR THE UNITED STATES ENRICHMENT CORPORATION'S  
INITIAL PUBLIC OFFERING OF STOCK SALE PROCESS

Dear Mr. Miller:

This letter is to advise you that the Nuclear Regulatory Commission (NRC) has completed its final conditional Foreign Ownership, Control or Influence (FOCI) review of the United States Enrichment Corporation's (USEC) Initial Public Offering (IPO) of stock package for privatization. Our finding indicates that based on the information submitted by USEC on May 1, 1998, and supplemented on May 12, 1998, there are no FOCI concerns at this time. Therefore, in accordance with the FOCI review process agreed to by the NRC and USEC, the NRC hereby grants a final conditional FOCI approval of USEC's IPO sale process.

Please note that this approval was made in consultation with the Department of Energy and is conditional upon (1) Mr. Richard Kingdon (a key management official who is not a citizen of the United States) being formally excluded from access to classified information by a Board of Directors' resolution, (2) the implementation of the draft certificate of incorporation and the draft by-laws, and (3) appointment of the Owners, Officers, Directors and Executive Personnel (OODEP), as provided in your May 1, 1998, IPO FOCI submission. It is also conditional upon the implementation of the procedures described in those documents. The executed certificate of incorporation, by-laws, and OODEP listings will need to be reviewed by the NRC to ensure that the applicable clauses were included and not significantly modified from the draft version. If the executed certificate of incorporation or by-laws have been changed, or if the procedures identified in those documents are not being followed, a new FOCI determination will be required.

If you have any questions, please contact Richard A. Dopp or J. Keith Everly of my staff on (301) 415-7402 or (301) 415-7048, respectively.

Sincerely,

Original signed by  
**EDWARD L. HALMAN**

Edward L. Halman, Director  
Office of Administration

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PDR ADCK 07007001  
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NFDS

Docket Nos. 70-7001 and 70-002

cc: E. J. McCallum, DOE D. Scott, USEC  
G. P. Rifakes, USEC J. G. Adams, USEC

\*Letter was reviewed and discussed w/Commissioners' Assistants (Boyle/Lubenau/Lopez-Otin and Schlueter/Crockett) on 5/21.  
All agreed the letter can be sent.

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