

January 12, 2012

Mr. Peter J. Miner, Director
Regulatory Affairs
and Quality Assurance
USEC Inc.
6903 Rockledge Drive
Bethesda, MD 20817-1818

SUBJECT: REVIEW OF DRAFT SURETY BOND RIDER AND DRAFT STANDBY TRUST
AGREEMENT FOR LEAD CASCADE (TAC NO. L34109)

Dear Mr. Miner:

By letter dated November 9, 2011, the U.S. Nuclear Regulatory Commission (NRC) provided its response to your January 28, 2011 (AET 11-0001), letter requesting the NRC's review of a proposed change to Chapter 10.0 of the License Application (LA) and the Decommissioning Funding Program (DFP) for the LA for the American Centrifuge Lead Cascade Facility (Lead Cascade). The proposed changes were submitted as part of Lead Cascade's license renewal process to ensure that the DFP and Decommissioning Cost Estimate (DCE) met current requirements. In our letter, we requested USEC to submit, within 45 days, a draft surety bond providing the financial institute that will underwrite the bond for the approved DCE to the NRC for review.

In response to our letter, by e-mail dated November 17, 2011, Mr. Terry Sensue, Regulatory Manager, USEC Inc., (USEC) noted that a draft Surety Bond Rider (SBR) and a draft Standby Trust Agreement (STA) have been provided as Enclosure 3 of USEC's letter AET 11-0039, dated July 22, 2011—which provided USEC's responses to an NRC request for additional information dated May 24, 2011, regarding USEC's request to review the proposed changes to Chapter 10.0 of the LA and the DFP for Lead Cascade. The NRC staff conducted a review of the draft SBR and STA, provided in AET 11-0039, and identified issues regarding the STA. The NRC staff expressed concerns on whether the proposed trustee, U.S. Bank National Association, 1021 East Cary Street, 18th Floor, Richmond, Virginia, was authorized to act as such and had trust operations regulated by a Federal or State agency. On December 14, 2011, the NRC staff held a conference call with USEC staff to discuss this issue. Following the call, by e-mail dated December 16, 2011, Mr. Sensue submitted a revised draft STA addressing the identified issues.

We have completed our review of the final draft SBR and draft STA. The drafts have been found acceptable. Therefore, the NRC staff will proceed to amend materials license number SNM-7003 to reflect the latest revision to the DFP.

This action completes the effort on Technical Assignment Control Number L34109.

In accordance with Title 10 of the *Code of Federal Regulations* 2.390(d) of the NRC "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 System component of NRC's Agencywide Documents Access and Management Systems (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

If you have any questions regarding this matter, please contact Mr. Osiris Siurano-Perez at 301-492-3117, or via e-mail to Osiris.Siurano-Perez@nrc.gov.

Sincerely,
/RA/

Brian W. Smith, Chief
Uranium Enrichment Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No. 70-7003
License No. SNM-7003

cc: Terry Sensue, USEC Inc.

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If you have any questions regarding this matter, please contact Mr. Osiris Siurano-Perez at 301-492-3117, or via e-mail to Osiris.Siurano-Perez@nrc.gov.

Sincerely,
/RA/

Brian W. Smith, Chief
Uranium Enrichment Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No. 70-7003
License No. SNM-7003

cc: Terry Sensue, USEC Inc.

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