



## Department of Energy

Oak Ridge Operations Office  
P.O. Box 2001  
Oak Ridge, Tennessee 37831—

July 30, 2007

Mr. Victor N. Lopiano  
Vice-President American Centrifuge  
USEC Inc.  
6903 Rockledge Drive  
Bethesda, MD 20817

Dear Mr. Lopiano:

**APPROVAL AND ACKNOWLEDGMENT OF THE LEASE AND SUBLEASE OF  
REMAINDER OF X-7725 RECYCLE AND ASSEMBLY BUILDING FIRST, SECOND,  
THIRD, FOURTH, AND FIFTH FLOOR (WITH EXCEPTION) UNDER THE GAS  
CENTRIFUGE ENRICHMENT PLANT (GCEP) LEASE**

The Department of Energy (DOE) approves the United States Enrichment Corporation's (USEC) requests of June 21, 2007, and July 26, 2007, to lease the remainder of Building X-7725 consisting of portions of the first, second, third, fourth, and fifth floors (depicted on the sketches enclosed in the Condition Report) under the GCEP Lease and agrees to establish a lease effective date of July 31, 2007, with transfer occurring at 12:01 p.m. EDT. The sublease from USEC to USEC Inc. at the same time is also acknowledged. DOE and the Nuclear Regulatory Commission have mutually agreed to transition regulatory oversight at the same time.

The area designated "Area 1" on the first floor of Building X-7725 (bounded approximately by columns A3/37 and A8/39) will not be leased at this time and will be retained by DOE to allow for removal of a radioactive source belonging to USEC.

The regulatory oversight of the remainder of the facility will be shared at this time. The areas depicted on the enclosed sketches will not transition to the Nuclear Regulatory Commission (NRC) at this time, but rather, will be regulated by DOE under the GCEP Lease Regulatory Oversight Agreement due to the presence of potential radiological contamination or incomplete characterization of equipment components. The remainder of the Building X-7725 areas leased on July 31, 2007, will transition to NRC oversight.

The areas remaining under DOE regulatory oversight are:

- Area 2 (first floor Room 79)
- Area 3 (first floor Room 86)
- Area 4 (first floor bounded by B1/34 and B2/35)
- Area 5 (first floor bounded by A9/39 and B3/42)
- Area 6 (first floor bounded by B6/36 and C1/39)
- Area 7 and 10 (first and second floor Gas Test Stand)
- Area 11 and 14 (second and third floor piping on column 37)
- Area 12 (second floor mechanical/fan rooms)
- Area 13 (third floor HVAC air handler and fan room)
- Area 15 (former waste area 4A), and
- Area 16 (fourth floor bounded by B7/37 and C1/39)

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This lease transaction will also include sublease of the center aisle way (approximately bounded by columns C8/18 and D1/43) that has been leased as a common area. On-going DOE access is no longer needed; therefore, the aisle way will be integrated with the facility and no longer considered common. Additionally, this lease action will include Exhibit A line item "Walkway Columns A8/26-A9/48" as a part of the remainder of Building X-7725.

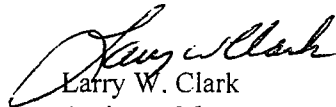
Subsequent to the execution of this lease action, the portions of the facility approved in this correspondence will be removed from Exhibit A of the Gaseous Diffusion Plant Lease and the appropriate changes and lease effective date will be included in Exhibit A of the GCEP Lease. The DOE retained area designated as "Area 1" should be leased to USEC in the very near future, for that reason that area will not be explicitly identified in Exhibit A of the GCEP Lease if the leasing action can be completed prior to revision of the exhibit. In addition, this change will be included in the Portsmouth Gaseous Diffusion Plant Facility Lease Status Map (DX-LS-1040.01) at its next revision.

The corresponding Condition Report that documents the condition of the area at the time of transfer, as mutually determined by representatives of USEC and DOE, is enclosed and will be included in Exhibit I of the GCEP Lease.

Please note that enclosure one (Building X-7725 Condition Report) has been deemed to be Export Controlled Information (ECI) and must be handled in accordance with ECI requirements.

Please contact me at 865-576-2678 or Matt Vick at 740-897-2089, if you have any questions.

Sincerely,



Larry W. Clark  
Assistant Manager  
for Nuclear Fuel Supply

Enclosures:

- Building X-7725 Condition Report
- Building X-7725 Sketches denoting Regulatory Oversight Areas

cc w/enclosure:

Marianne Heiskell, NS-51  
Matt Vick, NS-51, PORTS  
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