



Department of Energy

Portsmouth/Paducah Project Office
1017 Majestic Drive, Suite 200
Lexington, Kentucky 40513
(859) 219-4000

SEP 12 2011

Ms. Catherine Haney
Director, Office of Nuclear Material Safety and Safeguards
Attention: Document Control Desk
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

PPPO-03-1285776-11

Dear Ms. Haney:

**TRANSFER OF OWNERSHIP AND POSSESSION OF UNITED STATES
ENRICHMENT CORPORATION MATERIAL AT THE PORTSMOUTH GASEOUS
DIFFUSION PLANT FACILITIES, PIKETON, OHIO, TO THE DEPARTMENT OF
ENERGY; DOCKET 70-7002, CERTIFICATE NUMBER GDP-2**

Consistent with Enclosure 1, upon the United States Enrichment Corporation's (USEC) return of the balance of the Portsmouth Gaseous Diffusion Plant (GDP) facilities to the United States Department of Energy (DOE), DOE has committed to take ownership, including title to and possession of, any remaining USEC source, special nuclear, and/or byproduct materials at the Portsmouth GDP site that USEC is otherwise unable to disposition prior to such return. USEC shall remain responsible for fully reimbursing DOE for all costs associated with performing the work associated with the acceptance of ownership, possession, and disposition of these materials. This includes USEC providing DOE full advance payment of the estimated costs, surety bond equal to such costs, or combination thereof, for such activities.

Consistent with Enclosure 2, DOE has acknowledged that USEC may leave behind certain items of personal property and DOE legacy material that USEC may currently be considered accountable for in the Nuclear Material Control and Accountability (NMC&A) database. Additionally, DOE has agreed to swap certain items for which USEC is accountable for at Portsmouth for like items at Paducah. USEC's ability to leave the personal property behind and DOE's swap of material would be effective upon USEC's return of the balance of the GDP facilities to DOE.

The purpose of DOE's willingness to accept these materials is to satisfy the Nuclear Regulatory Commission's (NRC) requirement for USEC to divest itself of its source, special nuclear, and/or byproduct materials to allow USEC to return the balance of the GDP facilities to DOE. In the event USEC does not return the balance of the GDP facilities to DOE, DOE will not accept the materials.

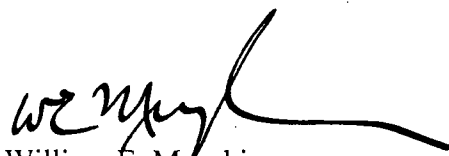
The transfer of the USEC accountable materials will be performed through the NMC&A database that is used to support both DOE and NRC requirements consistent with the approach for the transfer of facilities in September 2010.

NM5501

The DOE Portsmouth/Paducah Project Office (PPPO) expresses its appreciation for the NRC staffs' efforts and actions to terminate the Portsmouth GDP Certificate of Operations.

If you have any questions, please contact Tom Hines of my staff at (270) 441-6829.

Sincerely,



William E. Murphie
Manager
Portsmouth/Paducah Project Office

Enclosures:

1. Reverse Work Authorization #815763: PORTS Source, Special Nuclear, and/or Byproduct Material Project
2. Letter from J. Howell to R. Van Namen, "Department of Energy (DOE) Response to United States Enrichment Corporation (USEC) Requests Concerning the Transfer of certain Nuclear Materials and other items under the Gaseous Diffusion Plant Lease at Portsmouth Gaseous Diffusion Plant (PORTS)," dated April 28, 2011

cc w/enclosures:

Vince.Adams@lex.doe.gov, PPPO/PORTS
Joel.Bradburne@lex.doe.gov, PPPO/PORTS
Jud.Lilly@lex.doe.gov, PPPO/PORTS
Cid.Voth@lex.doe.gov, PPPO/PORTS
Tom.Hines@lex.doe.gov, PPPO/PAD
Larry.Newman@lex.doe.gov, PPPO/LEX
Bert.Gawthorp@lex.doe.gov, PPPO/LEX
Rachel.Blumenfeld@lex.doe.gov, PPPO/ORO
HowellJT@oro.doe.gov, SC-ORO/ORO
HeiskellMM@oro.doe.gov, SC-ORO/ORO
Mark.Allen@lex.doe.gov, PPPO/PAD
PPPO Records/LEX
PPPO.DFFO@lex.doe.gov