

Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Henry Waxman
2204 Rayburn House Office Building
Washington, DC 20515

Dear Representative Waxman,

We are contacting you in your position as a conferee to the Highway Bill, and we urge you to reject the Senate's position that intends to provide a \$150 million earmark for the United States Enrichment Corporation (USEC) or its ill-fated American Centrifuge Project (ACP). The time has come to stop the expenditure of taxpayer dollars on USEC's failed ACP.

Congress privatized USEC in 1997 with the expectation that the U.S. Government would no longer participate in the uranium enrichment business. History has shown that the opposite has occurred, with USEC unable to avoid bankruptcy in the absence of continued government bailouts and unable to successfully establish a functioning gas centrifuge plant. Congressional direction of taxpayer funded earmarks will not result in the successful commercialization of USEC's domestic uranium enrichment technology. Allocating federal funds will simply throw away hundreds of millions in scarce taxpayer dollars, on top of the hundreds of millions in bailouts USEC has already burned through.

One Subsidy After Another in Return for Broken Promises and Technology Failures

Over the last ten years, DOE has extended repeated economic benefits to USEC. Under a 2002 Agreement, DOE provided USEC exclusive rights to the advanced centrifuge technology that DOE had developed over more than two decades at a taxpayer cost of \$3 billion. In return, USEC simply had to adhere to basic financial and operational deadlines including continued operations of its' existing facility in Kentucky.

Adherence to the agreed upon plan did not happen. In 2007, USEC sought its first major modification of the Agreement. In 2007, 2009, 2010, and again in 2011, USEC either revised the Agreement or missed the financial and operation deadlines set out in it. Following each failure the DOE gave up its remedies under the Agreement and instead awarded USEC additional funding.

In its quest for more funds, USEC applied in 2008 for a \$2 billion DOE loan guarantee for the ACP. The Department requested that USEC withdraw its application for this project in 2009 based on concerns about USEC's centrifuge technology. Loan guarantee approval was pending in June 2011 when 6 of 38 centrifuges in operation at ACP suffered a major technical breakdown. Unlike prior crashes, this crash involved multiple problems including electrical failure and a breached outer-casing. To this day, certain issues remain unresolved.

USEC followed the centrifuge breach by missing its' November 2011 milestone for securing firm financing, and it will clearly need yet another extension for a project that has already been delayed more

than five years. Once again though, in January 2012, DOE provided support of \$44 million, agreed to continue to seek an additional \$300 million from Congress without any new schedule for completion of the ACP, and continues to pursue additional means of support to enable the extended operation of USEC's inefficient Kentucky facility.

Dismal Financial Metrics

USEC originally projected the cost of the ACP at \$1.7 billion. By 2007, that amount increased to \$2.8 billion; and in 2008 the cost increased to \$3.5 billion. At last report, the cost is estimated to be more than \$4 billion, and this estimate does not seem to take into account the improvements required to resolve the problems that led to the centrifuge crash in 2011.

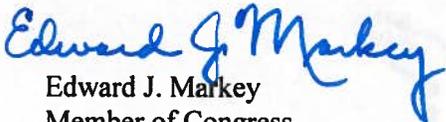
Financial results for USEC do not bode well either. USEC reported a net income loss for 2011 of \$540.7 million. USEC also saw a 47%, or \$74.2 million, year-over-year decline in gross profits. The company's stock has been trading at under \$1/share for weeks and is at risk of being de-listed from the stock exchange. There is substantial uncertainty USEC can generate future taxable income and this is reflected in its last publicly reported credit rating of CCC+. In addition to its dismal credit rating, USEC's default rating was downgraded to Caa1, poor standing and high credit risk. Decline in profit and income is not the only concern; the world-wide demand for uranium enrichment services, which had been expected to increase, is down sharply. The \$150 million in support contemplated by the Senate is almost \$60 million higher than the current total market capitalization of the company. Any further taxpayer support for this company thus would carry with it a stunningly high level of risk that the entire investment would be lost.

No Further Investment in USEC is Supportable

USEC was privatized to get the United States government out of the uranium enrichment business; and while the Government no longer enriches uranium, taxpayers have been on the hook for USEC's financial and technological failures from day one. After more than a decade of bailouts it is time to protect the taxpayers from further loss. USEC has shown a consistent inability to meet the financial and technological challenges it faces. The pattern of failure and continued taxpayer funding defies logic, and adoption by conferees to the Highway Bill would be fiscally irresponsible.

We urge you to reject the Senate position as it pertains to DOE funding of USEC. Thank you for considering this information. Please do not hesitate to contact us with any questions you may have.

Sincerely,


Edward J. Markey
Member of Congress


Steve Pearce
Member of Congress

Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Eleanor Holmes Norton
2136 Rayburn House Office Building
Washington, DC 20515

Dear Delegate Norton,

We are contacting you in your position as a conferee to the Highway Bill, and we urge you to reject the Senate's position that intends to provide a \$150 million earmark for the United States Enrichment Corporation (USEC) or its ill-fated American Centrifuge Project (ACP). The time has come to stop the expenditure of taxpayer dollars on USEC's failed ACP.

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Member of Congress



Steve Pearce
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Congress of the United States
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May 7, 2012

The Honorable Earl Blumenauer
1502 Longworth House Office Building
Washington, DC 20515

Dear Representative Blumenauer,

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Edward J. Markey
Member of Congress



Steve Pearce
Member of Congress

Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Eddie Bernice Johnson
2468 Rayburn House Office Building
Washington, DC 20515

Dear Representative Johnson,

We are contacting you in your position as a conferee to the Highway Bill, and we urge you to reject the Senate's position that intends to provide a \$150 million earmark for the United States Enrichment Corporation (USEC) or its ill-fated American Centrifuge Project (ACP). The time has come to stop the expenditure of taxpayer dollars on USEC's failed ACP.

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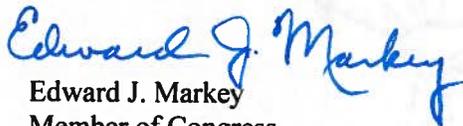
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Member of Congress


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The Honorable John Mica
2187 Rayburn House Office Building
Washington, DC 20515

Dear Representative Mica,

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Sincerely,



Edward J. Markey
Member of Congress



Steve Pearce
Member of Congress

Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Don Young
2314 Rayburn House Office Building
Washington, DC 20515

Dear Representative Young,

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May 7, 2012

The Honorable John Duncan
2207 Rayburn House Office Building
Washington, DC 20515

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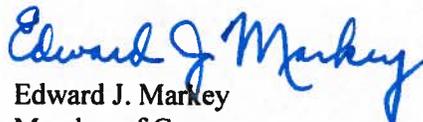
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No Further Investment in USEC is Supportable

USEC was privatized to get the United States government out of the uranium enrichment business; and while the Government no longer enriches uranium, taxpayers have been on the hook for USEC's financial and technological failures from day one. After more than a decade of bailouts it is time to protect the taxpayers from further loss. USEC has shown a consistent inability to meet the financial and technological challenges it faces. The pattern of failure and continued taxpayer funding defies logic, and adoption by conferees to the Highway Bill would be fiscally irresponsible.

We urge you to reject the Senate position as it pertains to DOE funding of USEC. Thank you for considering this information. Please do not hesitate to contact us with any questions you may have.

Sincerely,


Edward J. Markey
Member of Congress


Steve Pearce
Member of Congress

Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Bill Shuster
204 Cannon House Office Building
Washington, DC 20515

Dear Representative Shuster,

We are contacting you in your position as a conferee to the Highway Bill, and we urge you to reject the Senate's position that intends to provide a \$150 million earmark for the United States Enrichment Corporation (USEC) or its ill-fated American Centrifuge Project (ACP). The time has come to stop the expenditure of taxpayer dollars on USEC's failed ACP.

Congress privatized USEC in 1997 with the expectation that the U.S. Government would no longer participate in the uranium enrichment business. History has shown that the opposite has occurred, with USEC unable to avoid bankruptcy in the absence of continued government bailouts and unable to successfully establish a functioning gas centrifuge plant. Congressional direction of taxpayer funded earmarks will not result in the successful commercialization of USEC's domestic uranium enrichment technology. Allocating federal funds will simply throw away hundreds of millions in scarce taxpayer dollars, on top of the hundreds of millions in bailouts USEC has already burned through.

One Subsidy After Another in Return for Broken Promises and Technology Failures

Over the last ten years, DOE has extended repeated economic benefits to USEC. Under a 2002 Agreement, DOE provided USEC exclusive rights to the advanced centrifuge technology that DOE had developed over more than two decades at a taxpayer cost of \$3 billion. In return, USEC simply had to adhere to basic financial and operational deadlines including continued operations of its' existing facility in Kentucky.

Adherence to the agreed upon plan did not happen. In 2007, USEC sought its first major modification of the Agreement. In 2007, 2009, 2010, and again in 2011, USEC either revised the Agreement or missed the financial and operation deadlines set out in it. Following each failure the DOE gave up its remedies under the Agreement and instead awarded USEC additional funding.

In its quest for more funds, USEC applied in 2008 for a \$2 billion DOE loan guarantee for the ACP. The Department requested that USEC withdraw its application for this project in 2009 based on concerns about USEC's centrifuge technology. Loan guarantee approval was pending in June 2011 when 6 of 38 centrifuges in operation at ACP suffered a major technical breakdown. Unlike prior crashes, this crash involved multiple problems including electrical failure and a breached outer-casing. To this day, certain issues remain unresolved.

USEC followed the centrifuge breach by missing its' November 2011 milestone for securing firm financing, and it will clearly need yet another extension for a project that has already been delayed more

than five years. Once again though, in January 2012, DOE provided support of \$44 million, agreed to continue to seek an additional \$300 million from Congress without any new schedule for completion of the ACP, and continues to pursue additional means of support to enable the extended operation of USEC's inefficient Kentucky facility.

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Edward J. Markey
Member of Congress



Steve Pearce
Member of Congress

Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Shelley Moore Capito
2443 Rayburn House Office Building
Washington, DC 20515

Dear Representative Capito,

We are contacting you in your position as a conferee to the Highway Bill, and we urge you to reject the Senate's position that intends to provide a \$150 million earmark for the United States Enrichment Corporation (USEC) or its ill-fated American Centrifuge Project (ACP). The time has come to stop the expenditure of taxpayer dollars on USEC's failed ACP.

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Sincerely,



Edward J. Markey
Member of Congress



Steve Pearce
Member of Congress

Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Rich Crawford
1408 Longworth House Office Building
Washington, DC 20515

Dear Representative Crawford,

We are contacting you in your position as a conferee to the Highway Bill, and we urge you to reject the Senate's position that intends to provide a \$150 million earmark for the United States Enrichment Corporation (USEC) or its ill-fated American Centrifuge Project (ACP). The time has come to stop the expenditure of taxpayer dollars on USEC's failed ACP.

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Sincerely,


Edward J. Markey
Member of Congress


Steve Pearce
Member of Congress

Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Jamie Herrera Beutler
1130 Longworth House Office Building
Washington, DC 20515

Dear Representative Herrera Beutler,

We are contacting you in your position as a conferee to the Highway Bill, and we urge you to reject the Senate's position that intends to provide a \$150 million earmark for the United States Enrichment Corporation (USEC) or its ill-fated American Centrifuge Project (ACP). The time has come to stop the expenditure of taxpayer dollars on USEC's failed ACP.

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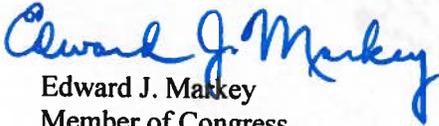
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Sincerely,


Edward J. Markey
Member of Congress


Steve Pearce
Member of Congress

Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Larry Bucshon
1123 Longworth House Office Building
Washington, DC 20515

Dear Representative Bucshon,

We are contacting you in your position as a conferee to the Highway Bill, and we urge you to reject the Senate's position that intends to provide a \$150 million earmark for the United States Enrichment Corporation (USEC) or its ill-fated American Centrifuge Project (ACP). The time has come to stop the expenditure of taxpayer dollars on USEC's failed ACP.

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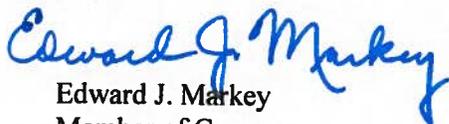
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Edward J. Markey
Member of Congress


Steve Pearce
Member of Congress

Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Richard Hanna
319 Cannon House Office Building
Washington, DC 20515

Dear Representative Hanna,

We are contacting you in your position as a conferee to the Highway Bill, and we urge you to reject the Senate's position that intends to provide a \$150 million earmark for the United States Enrichment Corporation (USEC) or its ill-fated American Centrifuge Project (ACP). The time has come to stop the expenditure of taxpayer dollars on USEC's failed ACP.

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Member of Congress



Steve Pearce
Member of Congress

Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Steve Southerland
1229 Longworth House Office Building
Washington, DC 20515

Dear Representative Southerland,

We are contacting you in your position as a conferee to the Highway Bill, and we urge you to reject the Senate's position that intends to provide a \$150 million earmark for the United States Enrichment Corporation (USEC) or its ill-fated American Centrifuge Project (ACP). The time has come to stop the expenditure of taxpayer dollars on USEC's failed ACP.

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Adherence to the agreed upon plan did not happen. In 2007, USEC sought its first major modification of the Agreement. In 2007, 2009, 2010, and again in 2011, USEC either revised the Agreement or missed the financial and operation deadlines set out in it. Following each failure the DOE gave up its remedies under the Agreement and instead awarded USEC additional funding.

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USEC followed the centrifuge breach by missing its' November 2011 milestone for securing firm financing, and it will clearly need yet another extension for a project that has already been delayed more

than five years. Once again though, in January 2012, DOE provided support of \$44 million, agreed to continue to seek an additional \$300 million from Congress without any new schedule for completion of the ACP, and continues to pursue additional means of support to enable the extended operation of USEC's inefficient Kentucky facility.

Dismal Financial Metrics

USEC originally projected the cost of the ACP at \$1.7 billion. By 2007, that amount increased to \$2.8 billion; and in 2008 the cost increased to \$3.5 billion. At last report, the cost is estimated to be more than \$4 billion, and this estimate does not seem to take into account the improvements required to resolve the problems that led to the centrifuge crash in 2011.

Financial results for USEC do not bode well either. USEC reported a net income loss for 2011 of \$540.7 million. USEC also saw a 47%, or \$74.2 million, year-over-year decline in gross profits. The company's stock has been trading at under \$1/share for weeks and is at risk of being de-listed from the stock exchange. There is substantial uncertainty USEC can generate future taxable income and this is reflected in its last publicly reported credit rating of CCC+. In addition to its dismal credit rating, USEC's default rating was downgraded to Caa1, poor standing and high credit risk. Decline in profit and income is not the only concern; the world-wide demand for uranium enrichment services, which had been expected to increase, is down sharply. The \$150 million in support contemplated by the Senate is almost \$60 million higher than the current total market capitalization of the company. Any further taxpayer support for this company thus would carry with it a stunningly high level of risk that the entire investment would be lost.

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USEC was privatized to get the United States government out of the uranium enrichment business; and while the Government no longer enriches uranium, taxpayers have been on the hook for USEC's financial and technological failures from day one. After more than a decade of bailouts it is time to protect the taxpayers from further loss. USEC has shown a consistent inability to meet the financial and technological challenges it faces. The pattern of failure and continued taxpayer funding defies logic, and adoption by conferees to the Highway Bill would be fiscally irresponsible.

We urge you to reject the Senate position as it pertains to DOE funding of USEC. Thank you for considering this information. Please do not hesitate to contact us with any questions you may have.

Sincerely,



Edward J. Markey
Member of Congress



Steve Pearce
Member of Congress

Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable James Lankford
509 Cannon House Office Building
Washington, DC 20515

Dear Representative Lankford,

We are contacting you in your position as a conferee to the Highway Bill, and we urge you to reject the Senate's position that intends to provide a \$150 million earmark for the United States Enrichment Corporation (USEC) or its ill-fated American Centrifuge Project (ACP). The time has come to stop the expenditure of taxpayer dollars on USEC's failed ACP.

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Sincerely,



Edward J. Markey
Member of Congress



Steve Pearce
Member of Congress

Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Reid Ribble
1513 Longworth House Office Building
Washington, DC 20515

Dear Representative Ribble,

We are contacting you in your position as a conferee to the Highway Bill, and we urge you to reject the Senate's position that intends to provide a \$150 million earmark for the United States Enrichment Corporation (USEC) or its ill-fated American Centrifuge Project (ACP). The time has come to stop the expenditure of taxpayer dollars on USEC's failed ACP.

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Sincerely,



Edward J. Markey
Member of Congress



Steve Pearce
Member of Congress

Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Fred Upton
2183 Rayburn House Office Building
Washington, DC 20515

Dear Representative Upton,

We are contacting you in your position as a conferee to the Highway Bill, and we urge you to reject the Senate's position that intends to provide a \$150 million earmark for the United States Enrichment Corporation (USEC) or its ill-fated American Centrifuge Project (ACP). The time has come to stop the expenditure of taxpayer dollars on USEC's failed ACP.

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Sincerely,


Edward J. Markey
Member of Congress


Steve Pearce
Member of Congress

Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Ed Whitfield
2368 Rayburn House Office Building
Washington, DC 20515

Dear Representative Whitfield,

We are contacting you in your position as a conferee to the Highway Bill, and we urge you to reject the Senate's position that intends to provide a \$150 million earmark for the United States Enrichment Corporation (USEC) or its ill-fated American Centrifuge Project (ACP). The time has come to stop the expenditure of taxpayer dollars on USEC's failed ACP.

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Sincerely,



Edward J. Markey
Member of Congress



Steve Pearce
Member of Congress

Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Doc Hastings
1203 Longworth House Office Building
Washington, DC 20515

Dear Representative Hastings,

We are contacting you in your position as a conferee to the Highway Bill, and we urge you to reject the Senate's position that intends to provide a \$150 million earmark for the United States Enrichment Corporation (USEC) or its ill-fated American Centrifuge Project (ACP). The time has come to stop the expenditure of taxpayer dollars on USEC's failed ACP.

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Sincerely,



Edward J. Markey
Member of Congress



Steve Pearce
Member of Congress

Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Rob Bishop
123 Cannon House Office Building
Washington, DC 20515

Dear Representative Bishop,

We are contacting you in your position as a conferee to the Highway Bill, and we urge you to reject the Senate's position that intends to provide a \$150 million earmark for the United States Enrichment Corporation (USEC) or its ill-fated American Centrifuge Project (ACP). The time has come to stop the expenditure of taxpayer dollars on USEC's failed ACP.

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Sincerely,



Edward J. Markey
Member of Congress



Steve Pearce
Member of Congress

Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Ralph Hall
2405 Rayburn House Office Building
Washington, DC 20515

Dear Representative Hall,

We are contacting you in your position as a conferee to the Highway Bill, and we urge you to reject the Senate's position that intends to provide a \$150 million earmark for the United States Enrichment Corporation (USEC) or its ill-fated American Centrifuge Project (ACP). The time has come to stop the expenditure of taxpayer dollars on USEC's failed ACP.

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Adherence to the agreed upon plan did not happen. In 2007, USEC sought its first major modification of the Agreement. In 2007, 2009, 2010, and again in 2011, USEC either revised the Agreement or missed the financial and operation deadlines set out in it. Following each failure the DOE gave up its remedies under the Agreement and instead awarded USEC additional funding.

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USEC followed the centrifuge breach by missing its' November 2011 milestone for securing firm financing, and it will clearly need yet another extension for a project that has already been delayed more

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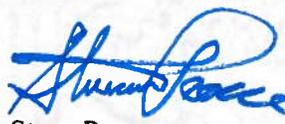
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We urge you to reject the Senate position as it pertains to DOE funding of USEC. Thank you for considering this information. Please do not hesitate to contact us with any questions you may have.

Sincerely,


Edward J. Markey
Member of Congress


Steve Pearce
Member of Congress

Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Chip Cravaack
508 Cannon House Office Building
Washington, DC 20515

Dear Representative Cravaack,

We are contacting you in your position as a conferee to the Highway Bill, and we urge you to reject the Senate's position that intends to provide a \$150 million earmark for the United States Enrichment Corporation (USEC) or its ill-fated American Centrifuge Project (ACP). The time has come to stop the expenditure of taxpayer dollars on USEC's failed ACP.

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Sincerely,



Edward J. Markey
Member of Congress



Steve Pearce
Member of Congress

Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Dave Camp
341 Cannon House Office Building
Washington, DC 20515

Dear Representative Camp,

We are contacting you in your position as a conferee to the Highway Bill, and we urge you to reject the Senate's position that intends to provide a \$150 million earmark for the United States Enrichment Corporation (USEC) or its ill-fated American Centrifuge Project (ACP). The time has come to stop the expenditure of taxpayer dollars on USEC's failed ACP.

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Sincerely,



Edward J. Markey
Member of Congress



Steve Pearce
Member of Congress

Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Patrick Tiberi
106 Cannon House Office Building
Washington, DC 20515

Dear Representative Tiberi,

We are contacting you in your position as a conferee to the Highway Bill, and we urge you to reject the Senate's position that intends to provide a \$150 million earmark for the United States Enrichment Corporation (USEC) or its ill-fated American Centrifuge Project (ACP). The time has come to stop the expenditure of taxpayer dollars on USEC's failed ACP.

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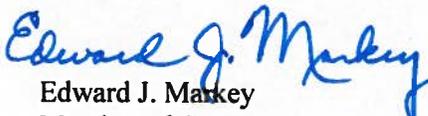
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Member of Congress


Steve Pearce
Member of Congress

Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Nick Rahall
2307 Rayburn House Office Building
Washington, DC 20515

Dear Representative Rahall,

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Edward J. Markey
Member of Congress



Steve Pearce
Member of Congress

Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Peter DeFazio
2134 Rayburn House Office Building
Washington, DC 20515

Dear Representative DeFazio,

We are contacting you in your position as a conferee to the Highway Bill, and we urge you to reject the Senate's position that intends to provide a \$150 million earmark for the United States Enrichment Corporation (USEC) or its ill-fated American Centrifuge Project (ACP). The time has come to stop the expenditure of taxpayer dollars on USEC's failed ACP.

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Edward J. Markey
Member of Congress



Steve Pearce
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Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Jerry Costello
2408 Rayburn House Office Building
Washington, DC 20515

Dear Representative Costello,

We are contacting you in your position as a conferee to the Highway Bill, and we urge you to reject the Senate's position that intends to provide a \$150 million earmark for the United States Enrichment Corporation (USEC) or its ill-fated American Centrifuge Project (ACP). The time has come to stop the expenditure of taxpayer dollars on USEC's failed ACP.

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Member of Congress



Steve Pearce
Member of Congress

Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Jerrold Nadler
2334 Rayburn House Office Building
Washington, DC 20515

Dear Representative Nadler,

We are contacting you in your position as a conferee to the Highway Bill, and we urge you to reject the Senate's position that intends to provide a \$150 million earmark for the United States Enrichment Corporation (USEC) or its ill-fated American Centrifuge Project (ACP). The time has come to stop the expenditure of taxpayer dollars on USEC's failed ACP.

Congress privatized USEC in 1997 with the expectation that the U.S. Government would no longer participate in the uranium enrichment business. History has shown that the opposite has occurred, with USEC unable to avoid bankruptcy in the absence of continued government bailouts and unable to successfully establish a functioning gas centrifuge plant. Congressional direction of taxpayer funded earmarks will not result in the successful commercialization of USEC's domestic uranium enrichment technology. Allocating federal funds will simply throw away hundreds of millions in scarce taxpayer dollars, on top of the hundreds of millions in bailouts USEC has already burned through.

One Subsidy After Another in Return for Broken Promises and Technology Failures

Over the last ten years, DOE has extended repeated economic benefits to USEC. Under a 2002 Agreement, DOE provided USEC exclusive rights to the advanced centrifuge technology that DOE had developed over more than two decades at a taxpayer cost of \$3 billion. In return, USEC simply had to adhere to basic financial and operational deadlines including continued operations of its' existing facility in Kentucky.

Adherence to the agreed upon plan did not happen. In 2007, USEC sought its first major modification of the Agreement. In 2007, 2009, 2010, and again in 2011, USEC either revised the Agreement or missed the financial and operation deadlines set out in it. Following each failure the DOE gave up its remedies under the Agreement and instead awarded USEC additional funding.

In its quest for more funds, USEC applied in 2008 for a \$2 billion DOE loan guarantee for the ACP. The Department requested that USEC withdraw its application for this project in 2009 based on concerns about USEC's centrifuge technology. Loan guarantee approval was pending in June 2011 when 6 of 38 centrifuges in operation at ACP suffered a major technical breakdown. Unlike prior crashes, this crash involved multiple problems including electrical failure and a breached outer-casing. To this day, certain issues remain unresolved.

USEC followed the centrifuge breach by missing its' November 2011 milestone for securing firm financing, and it will clearly need yet another extension for a project that has already been delayed more

than five years. Once again though, in January 2012, DOE provided support of \$44 million, agreed to continue to seek an additional \$300 million from Congress without any new schedule for completion of the ACP, and continues to pursue additional means of support to enable the extended operation of USEC's inefficient Kentucky facility.

Dismal Financial Metrics

USEC originally projected the cost of the ACP at \$1.7 billion. By 2007, that amount increased to \$2.8 billion; and in 2008 the cost increased to \$3.5 billion. At last report, the cost is estimated to be more than \$4 billion, and this estimate does not seem to take into account the improvements required to resolve the problems that led to the centrifuge crash in 2011.

Financial results for USEC do not bode well either. USEC reported a net income loss for 2011 of \$540.7 million. USEC also saw a 47%, or \$74.2 million, year-over-year decline in gross profits. The company's stock has been trading at under \$1/share for weeks and is at risk of being de-listed from the stock exchange. There is substantial uncertainty USEC can generate future taxable income and this is reflected in its last publicly reported credit rating of CCC+. In addition to its dismal credit rating, USEC's default rating was downgraded to Caa1, poor standing and high credit risk. Decline in profit and income is not the only concern; the world-wide demand for uranium enrichment services, which had been expected to increase, is down sharply. The \$150 million in support contemplated by the Senate is almost \$60 million higher than the current total market capitalization of the company. Any further taxpayer support for this company thus would carry with it a stunningly high level of risk that the entire investment would be lost.

No Further Investment in USEC is Supportable

USEC was privatized to get the United States government out of the uranium enrichment business; and while the Government no longer enriches uranium, taxpayers have been on the hook for USEC's financial and technological failures from day one. After more than a decade of bailouts it is time to protect the taxpayers from further loss. USEC has shown a consistent inability to meet the financial and technological challenges it faces. The pattern of failure and continued taxpayer funding defies logic, and adoption by conferees to the Highway Bill would be fiscally irresponsible.

We urge you to reject the Senate position as it pertains to DOE funding of USEC. Thank you for considering this information. Please do not hesitate to contact us with any questions you may have.

Sincerely,


Edward J. Markey
Member of Congress


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Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Corrine Brown
2336 Rayburn House Office Building
Washington, DC 20515

Dear Representative Brown,

We are contacting you in your position as a conferee to the Highway Bill, and we urge you to reject the Senate's position that intends to provide a \$150 million earmark for the United States Enrichment Corporation (USEC) or its ill-fated American Centrifuge Project (ACP). The time has come to stop the expenditure of taxpayer dollars on USEC's failed ACP.

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Congress of the United States
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The Honorable Elijah Cummings
2235 Rayburn House Office Building
Washington, DC 20515

Dear Representative Cummings,

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Member of Congress



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Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Leonard Boswell
1026 Longworth House Office Building
Washington, DC 20515

Dear Representative Boswell,

We are contacting you in your position as a conferee to the Highway Bill, and we urge you to reject the Senate's position that intends to provide a \$150 million earmark for the United States Enrichment Corporation (USEC) or its ill-fated American Centrifuge Project (ACP). The time has come to stop the expenditure of taxpayer dollars on USEC's failed ACP.

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Member of Congress



Steve Pearce
Member of Congress

Congress of the United States
Washington, DC 20515

May 7, 2012

The Honorable Tim Bishop
306 Cannon House Office Building
Washington, DC 20515

Dear Representative Bishop,

We are contacting you in your position as a conferee to the Highway Bill, and we urge you to reject the Senate's position that intends to provide a \$150 million earmark for the United States Enrichment Corporation (USEC) or its ill-fated American Centrifuge Project (ACP). The time has come to stop the expenditure of taxpayer dollars on USEC's failed ACP.

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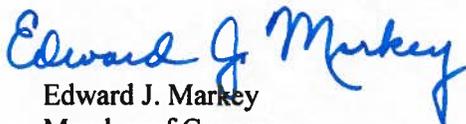
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