



The Secretary of Energy

Washington, DC 20585

October 27, 2011

Mr. John K. Welch
President and Chief Executive Officer
USEC Inc.
6903 Rockledge Drive
Bethesda, MD 20817-1818

Dear Mr. Welch:

Thank you for your letter regarding the American Centrifuge Plant (ACP). I share your sentiments regarding the progress we have been making on a Research, Development, and Demonstration (RD&D) project to reduce the technical and financial risks for ACP.

I am committed to the RD&D program that we have been discussing, and we are working hard to make that program a reality. As you mentioned in your letter, the RD&D program we have discussed anticipates DOE funding of up to \$300 million, accompanied by a significant cost share by USEC and its partners in order to manufacture and test a significant number of commercial plant design machines and key systems on the path toward one train of centrifuges.

I agree with you that it is urgent that Congress act to get the RD&D program in place as soon as possible, and the Administration is working to make that happen. Earlier this week, I sent a letter to the appropriations committees requesting the budget authority for DOE to provide \$150 million in initial funding. Congressional approval of that request on an expeditious basis is critical to continuing work at ACP, and is needed to provide the level of funding required to begin the full program of work we have been discussing.

As you note in your letter, Congressional action on the Administration's proposed \$150 million in initial budget authority is uncertain. Your letter also requests that the Department provide partial funding for the RD&D program by administrative action. The Administration stands squarely behind the proposed RD&D program. However, ACP can only succeed with the sustained additional support of Congress, and therefore I believe it would be unwise to put additional taxpayer resources towards the project by administrative action absent clear Congressional indications of support for our proposed path forward.

Given the important benefits that this project could provide to the Nation, we stand ready to engage in that discussion, and will continue to work with you and Congress to make this program a reality.

Sincerely,

A handwritten signature in black ink that reads "Steven Chu".

Steven Chu

