



# U.S. DEPARTMENT OF **ENERGY**

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## **Department of Energy and USEC Announce Decision to Delay USEC Loan Guarantee Application Final Review**

*Additional time will allow company to address financial and technical concerns  
about its application*

Washington DC --- The Department of Energy and USEC Inc. (NYSE: USU) today announced an agreement to delay a final review on the company's loan guarantee application for the American Centrifuge Plant in Piketon, OH.

The Department plans to defer review of the application until a series of specific technology and financial milestones have been met. The milestones that have been conveyed to USEC are in line with the criteria and legal requirements of the 2005 EPACT statute and the subsequent Title 17 loan guarantee regulations. DOE and USEC also expect an independent engineer to complete a report in the near term that will provide useful input and guidance on the technical issues already identified.

The additional time will allow USEC to make efforts to fully address issues DOE has identified relating to the readiness of the company's uranium enrichment technology. As it has indicated, the Department sees promise in the ACP technology, but USEC's application does not meet all the statutory and regulatory standards that would permit the agency to grant a loan guarantee at this time. Both DOE and USEC recognize that meeting these criteria will likely take six months or more.

"This agreement gives USEC the time it needs to more fully test its technology and develop additional financial support for the project," Energy Secretary Steven Chu said.

"USEC's operating experience on its lead cascade must demonstrate high confidence that machine reliability is commensurate with its facility operating plan. We have discussed with USEC specific test results that would give such confidence, and we look forward to working with them to that end," said DOE Undersecretary for Science, Dr. Steven Koonin.

"We strongly believe in the American Centrifuge technology. We are committed to continuing our development efforts in Oak Ridge and Piketon to prepare the technology for full

commercialization. The agreement provides a path forward for consideration of our loan guarantee application,” said John K. Welch, USEC president and chief executive officer.

On July 28, DOE committed to job growth at the Piketon, OH site by announcing an investment worth about \$150 to \$200 million per year for the next four years to expand and accelerate cleanup efforts of cold-war era contamination at the Portsmouth uranium enrichment facility adjacent to ACP. This investment, on top of the base budget and Recovery Act funding, is expected to create 800 to 1000 new jobs on the Portsmouth site.

Additionally, DOE demonstrated its continued support for nuclear research and development by announcing last week its willingness to invest up to \$45 million over the next 18 months for USEC to support ongoing ACP development activities. This funding would allow the company to continue operations, maintenance, and research activities at Piketon and Oak Ridge, and give USEC additional time to strengthen the technical and financial aspects of the application.

USEC’s other activities, especially the ongoing operations of the Highly Enriched Uranium agreement with Russia and the reliable uranium enrichment operations at Paducah, should not be affected by this decision. The HEU agreement remains a critical national security priority and the Paducah operations should continue without interruption.

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