



Leo W. Gerard
International President

May 31, 2011

The Honorable Steven Chu
Secretary
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

RE: Re-enrichment at the Paducah Gaseous Diffusion Plant (PGDP)

Dear Secretary Chu:

For more than 50 years, the Paducah Gaseous Diffusion Plant has enriched uranium for use in America's defense and commercial nuclear reactors. At the present time, the Paducah plant is the only domestic facility enriching uranium for use in commercial reactors, making it a critical component in our nation's energy security infrastructure.

The enrichment process results in two principal products: enriched uranium hexafluoride, which is used for nuclear weapons or fuel for nuclear power plants; and leftover "tails" of uranium hexafluoride.

Tails have been viewed as a waste product because considerable enrichment processing is required to further extract the remaining useful quantities of uranium-235.

We are writing to inquire if the Department of Energy plans to re-enrich the depleted uranium hexafluoride "tails" currently stored at the Paducah, Kentucky facility. Such a re-enrichment effort would have positive fiscal and environmental benefits and present a significant win-win situation for the nation and our members.

There are currently 40,000 DUF6 (depleted uranium hexafluoride) cylinders of "tails" located in Paducah and 20,000 located at Portsmouth. The "tails" are currently scheduled to be converted to a stable chemical form, primarily uranium oxide, at depleted uranium facilities in Paducah and Portsmouth. However, the "tails" contain useable uranium that can be re-enriched by the Gaseous Diffusion plant located in Paducah.

The Paducah Gaseous Diffusion Plant is scheduled to be retired as the USEC Advanced Centrifuge Plant begins fuel enrichment operations. If DOE authorizes a pilot



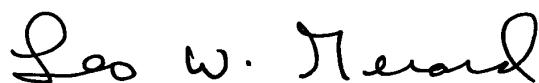
program for re-enrichment of the tails, it could preserve the 1200 jobs in Paducah, which include 580 USW members, and the 770 D&D cleanup jobs at Portsmouth, Ohio.

Re-enrichment of the tails is economically feasible and could result in at least \$1 billion in revenue to the government. Federal funds will also be saved by reducing the amount of tails that must be converted to stable chemical form. In addition, the government will be able to defer costs for shutdown and maintenance of the Paducah plant which is estimated to be \$1 million per year.

This program is important for our members' jobs and represents an opportunity to generate needed revenue for the government, revenue that can be used to fund the necessary clean up activities at the site, while at the same time reducing the long term costs of that clean up.

I urge your full consideration for establishing a tails re-enrichment program at the earliest opportunity, and look forward to hearing back from you on this matter.

Sincerely,

A handwritten signature in black ink that reads "Leo W. Nease". The signature is fluid and cursive, with "Leo" on the first line and "W. Nease" on the second line.

International President

LWG/cdk