OHIO E.P.A.

MAY 3 2010

ENTERED DIRECTOR'S JOURNAL

BEFORE THE
OHIO ENVIRONMENTAL PROTECTION AGENCY

In the Matter of:

United States Enrichment Corporation
3930 US Route 23 South
Piketon, Ohio 45661

Respondent

Director's Final Findings and Orders

I certify this to be a true and accurate copy of the official documents as filed in the records of the Ohio Environmental Protection Agency.

By: [signature] Date: 5/3/2010

PREAMBLE

It is agreed by the parties hereto as follows:

I. JURISDICTION

These Director's Final Findings and Orders (Orders) are issued to United States Enrichment Corporation (Respondent) pursuant to the authority vested in the Director of the Ohio Environmental Protection Agency (Ohio EPA) under Ohio Revised Code (ORC) §§ 3734.02(G), 3734.13 and 3745.01.

II. PARTIES BOUND

These Orders shall apply to and be binding upon Respondent and successors in interest liable under Ohio law. No change in ownership of the Respondent or of the Facility shall in any way alter Respondent's obligations under these Orders.

III. DEFINITIONS

Unless otherwise stated, all terms used in these Orders shall have the same meaning as defined in ORC Chapter 3734. and the rules promulgated there under.

IV. FINDINGS

The Director of Ohio EPA has determined the following findings:

1. Respondent is a "person" as defined in ORC § 3734.01(G) and Ohio Administrative Code (OAC) rule 3745-50-10(A).

2. Respondent operates a uranium enrichment facility located at 3930 US Route 23 South, Piketon, Pike County, Ohio 45661 (Facility).

3. At the Facility, Respondent generates "hazardous waste" as that term is defined by ORC § 3734.01(J) and OAC rules 3745-50-10(A) and 3745-51-03. Respondent is a large quantity generator of hazardous waste and has been assigned EPA ID number OHD987054723. The hazardous wastes generated by Respondent at the Facility include lab packs with various hazardous waste codes, off specification chemicals (D001/D002/D010/D018), contaminated PPE (F002/F005), fluorescent bulbs (D009), non-empty aerosol cans (D001/U226), clean-up and spill residues (D002), lab solutions (D001/D002/D003/F002/F003) and, gasoline and diesel fuel (D001/D018). Respondent also generates used oil, and is a large quantity handler of universal waste lamps and batteries.

4. On November 3, 2008, Ohio EPA conducted a compliance evaluation inspection at the Facility. As a result of this inspection, Ohio EPA determined that Respondent had, *inter alia*:

    a. Stored hazardous waste in Tank 2 and Tank 3 of the X-700 building for greater than ninety days without a hazardous waste installation and operation permit, in violation of ORC § 3734.02 (E) and (F). Respondent stated that the hazardous waste had been stored for at least four (4) years in Tanks 2 and 3. Tank 2 stored lead acid battery wastes characteristically hazardous for corrosivity (D002) and lead (D008), as described in OAC rules 3745-51-22 and 3745-51-24. Tank 3 stored ground water containing F001 listed hazardous waste, as described in OAC rule 3745-51-31;

    b. Failed to evaluate wastes in Tanks 1, 4, and 5 of the X-700 building, in violation of OAC rule 3745-52-11;

    c. Failed to properly label containers of used oil, in violation of OAC rule 3745-279-22(C); and

d. Failed to properly label containers of universal waste lamps, in violation of OAC rule 3745-273-34(E).

5. Ohio EPA notified Respondent of the violations referenced in Finding No. 4. by letter dated November 24, 2008. This letter also notified Respondent that the violations referenced in Finding Nos. 4.c. and 4.d. were abated at the time of the inspection.

6. Ohio EPA received a letter from Respondent dated December 23, 2008, in response to the violations referenced in Finding No. 4. of these Orders.

7. After reviewing the information contained in Respondent's response referenced in Finding No. 6., the Director has determined that Respondent has abated the violation referenced in Finding No. 4.b. of these Orders by submitting sample results for the wastes in all five tanks at the Facility. Based upon the sample results, Respondent determined the waste in Tank 4 was a characteristic hazardous waste for arsenic, chromium, lead and selenium (D004, D007, D008, D010), as described in OAC rule 3745-51-24. Respondent stated that the hazardous waste had been stored for at least four (4) years in Tank 4. Therefore, the Director has determined Respondent stored hazardous waste in Tank 4 without a hazardous waste installation and operation permit in violation of ORC § 3734.02 (E) and (F). Furthermore, the Director has determined that Respondent failed to comply with hazardous waste tank requirements for Tanks 2, 3 and 4, in violation of OAC rules 3745-55-91/3745-66-91 through 3745-55-99/3745-66-100.

8. By electronic mail dated March 19, 2009, Respondent notified Ohio EPA that even though the waste in Tank 1 did not test characteristically hazardous, Respondent determined that ground water containing F001 listed hazardous waste was stored in the tank since June 8, 2001. Therefore, the Director has determined Respondent stored hazardous waste in Tank 1 without a hazardous waste installation and operation permit in violation of ORC § 3734.02 (E) and (F). Furthermore, the Director has determined that Respondent also failed to comply with hazardous waste tank requirements for Tank 1, in violation of OAC rules 3745-55-91/3745-66-91 through 3745-55-99/3745-66-100.

9. Because Respondent established and operated a hazardous waste storage facility as described in Finding Nos. 4.a., 7, and 8. of these Orders, Respondent is required to have a hazardous waste facility installation and operation permit and is subject to all general facility standards found in OAC Chapters 3745-54

and 55, including but not limited to, closure in accordance with OAC rules 3745-55-11 through 3745-55-20, the financial assurance for closure requirements contained in OAC rules 3745-55-42 through 3745-55-51 and corrective action for waste management units in accordance with OAC rule 3745-54-101. To obtain a hazardous waste facility installation and operation permit, Respondent is required to submit "Parts A and B" of the application in accordance with OAC Chapter 3745-50.

10. Pursuant to ORC § 3734.02(G) and OAC rule 3745-50-31, the Director may, by order, exempt any person generating, storing, treating, or disposing of hazardous waste in such quantities or under such circumstances that, in the determination of the Director, it is unlikely that the public health or safety or the environment will be adversely affected thereby, from any requirement to obtain a permit or comply with other requirements of ORC Chapter 3734. Any such exemption shall be consistent with and equivalent to rules promulgated under the Resource Conservation and Recovery Act of 1976, 90 Stat. 2806, 42 U.S.C. § 6921 et seq., as amended.

11. The submittal of a Closure Plan for the tanks where hazardous waste was stored, which complies with the administrative requirements of OAC Chapters 3745-65 and 66 and the substantive requirements of OAC Chapters 3745-54 and 55 including but not limited to the groundwater protection program in accordance with OAC rules 3745-54-90 through 3745-54-100 in lieu of the submittal of an application for a hazardous waste facility installation and operation permit is unlikely to adversely affect the public health or safety or the environment. Therefore, the Director finds that the issuance to Respondent of an exemption from the requirement to submit an application for a hazardous waste facility installation and operation permit for the tanks that stored hazardous waste at the Facility is unlikely to adversely affect the public health or safety or the environment within the meaning of ORC § 3734.02(G).

V. ORDERS

Respondent shall achieve compliance with Chapter 3734. of the ORC and the regulations promulgated there under according to the following compliance schedule:

1. Within 30 days of the effective date of these Orders, Respondent shall submit documentation demonstrating that all hazardous wastes in Tanks 1, 2, 3, and 4 at the Facility have been properly managed.

2. The Respondent is hereby exempted from the requirement to submit an application for a hazardous waste facility installation and operation permit for the Facility, *provided that* Respondent complies with the following:

   a. Within 90 days of the effective date of these Orders, Respondent shall submit to Ohio EPA for review and approval a Closure Plan(s) for the hazardous waste tanks referenced in Finding Nos. 4., 7. and 8. of these Orders.

   b. This Closure Plan(s) shall comply with the administrative requirements of OAC Chapters 3745-65 and 3745-66 and the substantive requirements of OAC Chapters 3745-54 and 3745-55, including but not limited to, the groundwater protection program in accordance with OAC rules 3745-54-90 through 54-100.

   c. The Closure Plan(s) is subject to approval by Ohio EPA. If Ohio EPA does not approve the Closure Plan(s) and provides Respondent with a written statement of deficiencies, Respondent shall submit a revised Closure Plan(s) for approval addressing the deficiencies within 30 days of receiving such written statement. If Ohio EPA modifies the Closure Plan(s), the modified Closure Plan(s) becomes the approved plan.

   d. Upon Ohio EPA's written approval of the Closure Plan(s), Respondent shall implement the approved Closure Plan(s) in the manner and pursuant to the time frames set forth in the approved Closure Plan and OAC rules 3745-55-13/3745-66-13;

   e. Within 30 days after the approval of the Closure Plan(s) pursuant to Order No. 2.d., above, Respondent shall submit to Ohio EPA for review, comment and approval a closure cost estimate. Within 30 days after approval of the closure cost estimate, Respondent shall establish financial assurance and liability coverage for the areas of the Facility subject to closure, in accordance with OAC rules 3745-55-42 through 3745-55-47; and

   f. Within 60 days after completion of closure, Respondent shall submit certification of closure to Ohio EPA in accordance with OAC rule 3745-55-15.

Completion of Order No. 2 shall abate the violations referenced in Finding Nos. 4.a., 7. and 8. of these Orders.

3. Respondent shall pay Ohio EPA the amount of $64,150.00 in settlement of Ohio EPA's claims for civil penalties, which may be assessed pursuant to ORC Chapter 3734. in accordance with the following provisions:

   a. Within 30 days after the effective date of these Orders, Respondent shall pay Ohio EPA the amount of $51,320.00 in settlement of Ohio EPA's claims for civil penalties, which may be assessed pursuant to ORC Chapter 3734. and which will be deposited into the hazardous waste cleanup fund established pursuant to ORC § 3734.28. Payment shall be made by an official check made payable to "Treasurer, State of Ohio" for $51,320.00. The official check shall be submitted to Ohio EPA, Office of Fiscal Administration, Department L-2711, Columbus, Ohio 43260-2711, together with a letter identifying Respondent. A copy of this check shall be submitted in accordance with Section X. of these Orders.

   b. In lieu of paying the remaining $12,830.00 of civil penalty to Ohio EPA, Respondent shall fund a supplemental environmental project (SEP) by making a contribution in the amount of $12,830.00 to the Ohio EPA Clean Diesel School Bus Program (Fund 5CD). Respondent shall make the payment within 30 days after the effective date of these Orders by tendering an official check made payable to "Treasurer, State of Ohio" for $12,830.00. The official check shall be submitted to Brenda Case, or her successor, Ohio EPA, Office of Fiscal Administration, Department L-2711, Columbus, Ohio 43260-2711, together with a letter identifying Respondent. A copy of this check shall be submitted in accordance with Section X. of these Orders, and an additional copy of this check shall be sent to James A. Orlemann, Assistant Chief, SIP Development and Enforcement, or his successor, Ohio EPA, Division of Air Pollution Control, P.O. Box 1049, Columbus, Ohio 43216-1049.

   c. Should Respondent fail to fund the SEP within the required time frame established in Order No. 3.b., Respondent shall pay to Ohio EPA, within 7 days after failing to comply with Order No. 3.b., the amount of $12,830.00 in accordance with the procedures in Order No. 3.a.

VI. TERMINATION

Respondent's obligations under these Orders shall terminate when Respondent certifies in writing and demonstrates to the satisfaction of Ohio EPA that Respondent has performed all obligations under these Orders and Ohio EPA's Division of Hazardous Waste Management acknowledges, in writing, the termination of these Orders. If Ohio EPA does not agree that all obligations have been performed, then Ohio EPA will notify Respondent of the obligations that have not been performed, in which case Respondent shall have an opportunity to address any such deficiencies and seek termination as described above.

The certification shall contain the following attestation: "I certify that the information contained in or accompanying this certification is true, accurate and complete."

This certification shall be submitted by Respondent to Ohio EPA and shall be signed by a responsible official of Respondent. For purposes of these Orders, a responsible official is a [e.g., corporate officer] who is in charge of a principal business function of Respondent.

VII. OTHER CLAIMS

Nothing in these Orders shall constitute or be construed as a release from any claim, cause of action or demand in law or equity against any person, firm, partnership or corporation, not a party to these Orders, for any liability arising from, or related to, the operation of Respondent's Facility.

VIII. OTHER APPLICABLE LAWS

All actions required to be taken pursuant to these Orders shall be undertaken in accordance with the requirements of all applicable local, state and federal laws and regulations. These Orders do not waive or compromise the applicability and enforcement of any other statutes or regulations applicable to Respondent.

IX. MODIFICATIONS

These Orders may be modified by agreement of the parties hereto. Modifications

shall be in writing and shall be effective on the date entered in the journal of the Director of Ohio EPA.

X. NOTICE

All documents required to be submitted by Respondent pursuant to these Orders shall be addressed to:

Ohio Environmental Protection Agency
Southeast District Office
Division of Hazardous Waste Management
2195 Front Street
Logan, Ohio 43138
Attn: DHWM Manager

and Ohio EPA Central Office at the following address:

For mailings, use the post office box number:

Chris Korleski, Director
Ohio Environmental Protection Agency
Lazarus Government Center
Division of Hazardous Waste Management
P.O. Box 1049
Columbus, Ohio 43216-1049
Attn: Manager, Compliance Assurance Section

For deliveries to the building:

Chris Korleski, Director
Ohio Environmental Protection Agency
Lazarus Government Center
Division of Hazardous Waste Management
50 West Town Street
Columbus, Ohio 43215
Attn: Manager, Compliance Assurance Section

or to such persons and addresses as may hereafter be otherwise specified in writing by Ohio EPA.

XI. RESERVATION OF RIGHTS

Ohio EPA reserves its rights to exercise its lawful authority to require Respondent to perform corrective action at the Facility at some time in the future, pursuant to ORC Chapter 3734. or any other applicable law. Respondent reserves its rights to raise any administrative, legal or equitable claim or defense with respect to any final action of the Director regarding such corrective action. Ohio EPA and Respondent each reserve all other rights, privileges and causes of action, except as specifically waived in Section XII. of these Orders.

XII. WAIVER

In order to resolve disputed claims, without admission of fact, violation or liability, Respondent consents to the issuance of these Orders and agrees to comply with these Orders. Except for the right to seek corrective action at the Facility by Respondent, which right Ohio EPA does not waive, compliance with these Orders shall be a full accord and satisfaction for Respondent's liability for the violations specifically cited herein.

Respondent hereby waives the right to appeal the issuance, terms and conditions, and service of these Orders, and Respondent hereby waives any and all rights Respondent may have to seek administrative or judicial review of these Orders either in law or equity.

Notwithstanding the preceding, Ohio EPA and Respondent agree that if these Orders are appealed by any other party to the Environmental Review Appeals Commission, or any court, Respondent retains the right to intervene and participate in such appeal. In such an event, Respondent shall continue to comply with these Orders notwithstanding such appeal and intervention unless these Orders are stayed, vacated or modified.

XIII. EFFECTIVE DATE

The effective date of these Orders is the date these Orders are entered into the Ohio EPA Director's journal.

XIV. SIGNATORY AUTHORITY

Each undersigned representative of a party to these Orders certifies that he or she is fully authorized to enter into these Orders and to legally bind such party to these Orders.

IT IS SO ORDERED AND AGREED:

Ohio Environmental Protection Agency

Chris Korleski
Director

MAy 3, 2010
Date

IT IS SO AGREED:

United States Enrichment Corporation

Signature

April 20, 2010
Date

Robert Van Namen
Printed or Typed Name

Senior Vice President Uranium Enrichment
Title