DOE Denies Nuclear Enrichment Plant Funding

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PIKETON, Ohio (AP) — The Department of Energy said Thursday it no longer expects to give $30 million for demonstration work at a uranium-enrichment plant in southern Ohio.

Congress didn't grant its funding request, and the department doesn't see a way to provide the money for work at the American Centrifuge site, the DOE said. It also noted that USEC Inc. recently reported equipment delays at the location.

"For both of these reasons, the Department does not see a path to providing the $30 million in technology demonstration funding at this time," the DOE statement said.

The demonstration money, which was to total $45 million over the next 18 months, was meant for testing and development to show progress that is needed to gain a crucial $2 billion loan guarantee. Thursday's announcement looms as another setback for the project.

"This slows down the process," said Elizabeth Stuckle, a spokeswoman for Bethesda, Md.-based USEC.

She said the centrifuge machine delay was because some machines weren't assembled properly, but would be ready for testing by early 2010. She also said DOE retains the authority to meet its commitment by adjusting other funding programs.

USEC will continue working with DOE to find ways to move forward with the project, she said.

The company said in June that without the DOE loan guarantee, it wouldn't be able to obtain private financing.

USEC has said using centrifugal force to enrich uranium is much more efficient than the Cold War-era gaseous diffusion method. Enriched uranium from the plant 65 miles south of Columbus would be used in generating electricity at nuclear power plants.

The company says the project would create thousands of jobs.

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