USEC
A Global Energy Company

June 15, 2005
AET 05-0025

Mr. Jack R. Strosnider
Director, Office of Nuclear Material Safety and Safeguards
Attention: Document Control Desk
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

American Centrifuge Plant
Docket Number 70-7004
Submittal of Integrated Safety Analysis Supporting Document – Proprietary Information

INFORMATION TRANSMITTED HEREWITH IS PROTECTED FROM PUBLIC DISCLOSURE AS CONFIDENTIAL COMMERCIAL OR FINANCIAL INFORMATION AND/OR TRADE SECRETS PURSUANT TO 10 CFR 2.390 AND 9.17(a)(4)

Dear Mr. Strosnider:

USEC Inc. (USEC) hereby submits to the U.S. Nuclear Regulatory Commission (NRC) a document that was utilized as an input to the American Centrifuge Plant Integrated Safety Analysis. Enclosure 1 contains the following document:

- WSMSMA-03-0080, The Frequency of Fire Induced UF_6 Cylinder Failures at the Paducah Cylinder Storage Yards, May 4, 2003, D.A. Coutts

Enclosure 1 contains USEC Proprietary Information and USEC requests that Enclosure 1 be withheld from the public disclosure pursuant to 10 *Code of Federal Regulations* (CFR) 2.390(a)(4). An affidavit required by 10 CFR 2.390(b)(1)(ii) is provided in Enclosure 2.

If you have any questions regarding this matter, please contact Peter J. Miner at (301) 564-3470.

Sincerely,

S. A. Toelle

Steven A. Toelle
Director, Nuclear Regulatory Affairs

cc: Y. Faraz, NRC HQ
B. Smith, NRC HQ

NMSS01

Enclosures: As Stated

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Enclosure 2 to AET 05-0025

Affidavit

AFFIDAVIT OF STEVEN A. TOELLE
SUPPORTING APPLICATION TO WITHHOLD FROM
PUBLIC DISCLOSURE CERTAIN INFORMATION CONTAINED IN ENCLOSURE 1
FOR THE AMERICAN CENTRIFUGE PLANT

I, Steven A. Toelle, of USEC Inc., having been duly sworn, do hereby affirm and state:

1. I have been authorized by USEC to (a) review the information owned by USEC which is referenced herein relating to Enclosure 1 utilized as an input in the Integrated Safety Analysis (ISA) for the American Centrifuge Plant and which USEC seeks to have withheld from public disclosure pursuant to section 147 of the Atomic Energy Act (AEA), as amended, 42 U.S.C. § 2167, and 10 CFR 2.390(a)(3), 2.390(a)(4), 2.390(d)(1) and 9.17(a)(4), and (b) apply for the withholding of such information from public disclosure by the Nuclear Regulatory Commission (NRC) on behalf of USEC.

2. Consistent with the provisions of 10 CFR 2.390(b)(4) of the Commission's regulations, the following is furnished for consideration by the Commission in determining whether the information sought to be withheld from public disclosure should be withheld.

i. The information sought to be withheld from public disclosure is owned and has been held in confidence by USEC.

ii. The information is of a type customarily held in confidence by USEC and not customarily disclosed to the public. USEC has a rational basis for determining the types of information customarily held in confidence by it and, in that connection, utilizes a system to determine when and whether to hold certain types of information in confidence. The application of that system and the substance of that system constitute USEC policy and provide the rational basis required. Under that system, information is held in confidence if it falls in one or more

of several types, the release of which might result in the loss of an existing or potential competitive advantage, as follows:

a) The information reveals the distinguishing aspects of a process (or component, structure, tool, method, etc.) where presentation of its use by any of USEC's competitors without license from USEC constitutes a competitive economic advantage over other companies.

b) It consists of supporting data, including test data, relative to a process (or component, structure, tool, method, etc.), the application of which data secures a competitive economic advantage (e.g., by optimization or improved marketability).

c) Its use by a competitor would reduce their expenditure of resources or improve their competitive position in the design, manufacture, shipment, installation, assurance of quality, or licensing a similar product.

d) It reveals cost or price information, production capacities, budget levels, or commercial strategies of USEC, its customers or suppliers.

e) It reveals aspects of past, present, or future USEC or customer funded development plans and programs of potential commercial value to USEC.

f) It contains patentable ideas, for which patent protection may be desirable.

g) It reveals information concerning the terms and conditions, work performed, administration, performance under or extension of contracts with its customers or suppliers.

iii. There are sound policy reasons behind the USEC system which include the following:

a) The use of such information by USEC gives USEC a competitive advantage over its competitors. It is, therefore, withheld from disclosure to protect the USEC competitive position.

b) It is information, which is marketable in many ways. The extent to which such information

is available to competitors diminishes USEC's ability to sell products and services involving the use of the information.

c) Use by our competitors would put USEC at a competitive disadvantage by reducing their expenditure of resources at USEC expense.

d) Each component of proprietary information pertinent to a particular competitive advantage is potentially as valuable as the total competitive advantage. If competitors acquire components or proprietary information, any one component may be the key to the entire puzzle, thereby depriving USEC of a competitive advantage.

e) Unrestricted disclosure would jeopardize the position of prominence of USEC in the world market, and thereby give a market advantage to the competition of those countries.

f) The USEC capacity to invest corporate assets in research and development depends upon the success in obtaining and maintaining a competitive advantage.

iv. The information is being transmitted to the Commission in confidence and, under the provisions of 10 CFR Section 2.390, it is to be received in confidence by the Commission.

v. The information sought to be protected is not available in public sources or available information has not been previously employed in the same original manner or method to the best of our knowledge and belief.

3. The proprietary information sought to be withheld is contained in Enclosure 1 to USEC letter AET 05-0025. Public disclosure of this proprietary information is likely to cause substantial harm to the competitive position of USEC because it may enhance the ability of competitors to position and provide similar products. The development of the information described in part is the result of applying many hundreds of person-hours and the expenditure of hundreds

of thousands of dollars. In order for a competitor of USEC to duplicate this information, a similar process would have to be undertaken and a significant effort and resources would have to be expended.

Further the deponent sayeth not.

Steven A. Toelle, having been duly sworn, hereby confirms that I am the Director, Nuclear Regulatory Affairs of USEC, that I am authorized on behalf of USEC to review the information attached hereto and to sign and file with the U.S. Nuclear Regulatory Commission this affidavit and the attachments hereto, and that the statements made and matters set forth herein are true and correct to the best of my knowledge, information, and belief.

S. A. Toelle

Steven A. Toelle

On this 15th day of June 2005, the individual signing above personally appeared before me, is known by me to be the person whose name is subscribed to within the instrument, and acknowledged that he executed the same for the purposes therein contained. In witness hereof I hereunto set my hand and official seal.

Janet M Boothe

Ja'net M. Boothe, Notary Public
State of Maryland, Howard County
My commission expires June 1, 2007