



A Global Energy Company

March 23, 2006

AET 06-0042

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**

**Submission of Integrated Safety Analysis Supporting Document – Proprietary and Export Controlled 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)  
and  
INFORMATION TRANSMITTED HEREWITH IS PROTECTED FROM  
DISCLOSURE PURSUANT TO 10 CFR PART 810**

Dear Mr. Strosnider:

USEC Inc. (USEC) has revised the Nuclear Criticality Safety (NCS) Report (NCS-RPT-AC-08) associated with Product Operations that was utilized as an input into the Integrated Safety Analysis Summary for the American Centrifuge Plant, previously submitted to the U.S. Nuclear Regulatory Commission (NRC) in letter AET 06-0035. Therefore, USEC is submitting the revised report to the NRC as Enclosure 1 of this letter.

Enclosure 1 contains USEC Proprietary Information and USEC requests this enclosure be withheld from 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. Also, Enclosure 1 has been determined, in accordance with the guidance provided by the U.S. Department of Energy, to contain Export Controlled Information. This information must be protected from disclosure per the requirements of 10 CFR Part 810.

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

Sincerely,

Steven A. Toelle  
Director, Regulatory Affairs

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

Enclosures: As Stated

NM3501

**Enclosure 2 to AET 06-0042**

**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. (USEC), 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 the U.S. Nuclear Regulatory Commission (NRC) Request for Additional Information (RAI) for the American Centrifuge Plant (ACP) 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 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 06-0042. Specifically, Enclosure 1 provides a revised Nuclear Criticality Safety (NCS) Report NCS-RPT-AC-08 entitled *Product Operations*, Revision 3. The proprietary information submitted by USEC is a revised NCS Report, which supersedes Revision 2 previously submitted

to the NRC staff by USEC letter AET 06-0035 (dated February 16, 2006). 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. Moreover, disclosure of the details of the cost estimates may provide insights into USEC's forward pricing rates.

This information is part of that which will enable USEC to:

- Deploy the ACP;
- Implement its NCS program in compliance with the performance requirements contained in 10 CFR 70.61;
- Analyze and document the hazard identification results associated with criticality event sequences discussed in the Integrated Safety Analysis (ISA) Summary; and
- Analyze and document the hazard identification results associated with criticality events sequences discussed in Addendum 1 of the ISA Summary for Initial Deployment.

Further, this information has substantial commercial value as follows:

- The development of the information described in part is the result of applying many person-hours and the expenditure of thousands of dollars on analysis to develop the information that is sought to be withheld; and
- In order for a competitor of USEC to duplicate this information sought to be withheld, 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, 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 23rd day of March 2006, 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.

Rita L. Peak-Campbell

Rita L. Peak-Campbell, Notary Public  
State of Maryland, Montgomery County  
My commission expires December 1, 2009

