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OFFICE OF SECRETARY
RULEMAKINGS AND
ADJUDICATIONS STAFF

December 29, 2006
AET 06-0123

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Secretary, U.S. Nuclear Regulatory Commission
Attention: Rulemakings and Adjudication Staff
Washington, D.C. 20555-0001

**USEC Inc. American Centrifuge
Docket Numbers 70-7003 and 70-7004
Paducah Gaseous Diffusion Plant (PGDP)
Portsmouth Gaseous Diffusion Plant (PORTS)
Docket Nos. 70-7001 & 70-7002, Certificate Nos. GDP-1 and GDP-2
USEC Inc. Comments on NRC Proposed Rule, RIN 3150-AH57, "Protection of Safeguards
Information."**

USEC Inc. appreciates the opportunity to provide comments on the NRC Proposed Rule, RIN 3150-AH57, "Protection of Safeguards Information."

1. In orders issued on October 4, 2006 (EA-06-223 and -224) the NRC required the USEC Inc. Lead Cascade Demonstration Facility and American Centrifuge Plant to implement specific requirements to ensure proper handling and protection of Safeguards Information (SGI) to avoid unauthorized disclosure. The orders directed USEC Inc. to develop a program to protect SGI in accordance with "Modified Handling Requirements for Protection of Certain Safeguards Information (SGI-M)." However, in the rule issued for public comment, 71 *Federal Register* 64060, 73.21(a)(1)(i), uranium enrichment facilities are listed as a type of facility that must "Establish, implement, and maintain an information protection system that includes the applicable measures for Safeguards Information specified in 73.22..." Inclusion of uranium enrichment facilities in the list of facilities that must implement an SGI protection program (vice SGI-M program) creates a conflict with our current efforts imposed by order and will potentially cause two different protection strategies for information concerning USEC Inc.'s Lead Cascade Demonstration Facility and American Centrifuge Plant notwithstanding that both facilities will be located within the same physical boundary and will ultimately share common infrastructure. It would be an unnecessary regulatory burden and provide no commensurate benefit to require USEC Inc. to modify its protection strategy from SGI-M to SGI.

2. In the proposed rule issued for public comment, 71 *Federal Register* 64063, 73.22(h), a decontrol review requirement is imposed on documents that are 10 years or older if they are currently in use or removed from storage. This proposed requirement imposes a significant burden on licensees and a possible burden on the NRC staff that is not commensurate with any perceived benefit. It is unnecessary.

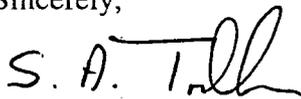
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3. In implementing an SGI program, the Gaseous Diffusion Plants will need to review existing security plans that integrate protective measures for SNM, classified material and other security interest areas against existing classification guidance and SGI determination guidance in order to ensure information is properly categorized and marked. Based upon our experience to date with information that is subject to multiple, overlapping protection schemes, a 90 day implementation period will not be sufficient, and the NRC should consider an implementation period of at least one year.

If you have any questions or require additional information regarding this matter, please contact John A. Weidner at (301) 564-3370.

Sincerely,

A handwritten signature in black ink that reads "S. A. Toelle". The signature is written in a cursive style with a prominent horizontal line across the top of the letters.

Steven A. Toelle
Director, Regulatory Affairs