



October 10, 2007
AET 07-0067

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

American Centrifuge Lead Cascade Demonstration Facility; Docket Number 70-7003; License Number SNM-7003
American Centrifuge Plant; Docket Number 70-7004; License Number SNM-2011
Request for Withholding Information from Public Disclosure Related to the Planned Expansion of Classified Networks for the American Centrifuge Program

Dear Mr. Weber:

USEC Inc. (USEC) hereby requests the U.S. Nuclear Regulatory Commission (NRC) withhold from public disclosure a diagram related to its plans for expansion of classified networks for the American Centrifuge Program which was provided to and discussed with members of the NRC staff on October 2, 2007.

This diagram contained USEC Proprietary Information and USEC requests this information 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 1 of this letter.

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

Sincerely,

Peter J. Miner
Director, Regulatory and Quality Assurance

cc: J. Downs, NRC HQ
B. Smith, NRC HQ

Enclosure: As Stated

Enclosure 1 to AET 07-0067

Affidavit

**AFFIDAVIT OF PETER J. MINER
SUPPORTING APPLICATION TO WITHHOLD FROM
PUBLIC DISCLOSURE CERTAIN INFORMATION PRESENTED IN
A CLOSED U.S. NUCLEAR REGULATORY COMMISSION
MEETING FOR THE AMERICAN CENTRIFUGE PROGRAM
ON OCTOBER 2, 2007**

I, Peter J. Miner, 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 and is referenced herein relating to information provided to the U.S. Nuclear Regulatory Commission (NRC) during a Closed Meeting held on October 2, 2007 at NRC's office in Rockville, Maryland regarding USEC's business plans related to expansion of classified networks for the American Centrifuge Program 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.

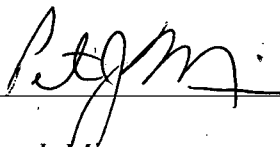
iv. The information is being transmitted to the Commission in confidence and, under the provisions of 10 CFR Section 2.390, it is to be received in confidence by the Commission.

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 was provided to the NRC on October 2, 2007 during a Closed Meeting held at NRC's office in Rockville, Maryland. The purpose of this meeting was to discuss the approval of USEC's security plans for its classified network and to provide the NRC with USEC's planned expansion activities related to classified networks for the American Centrifuge Program. 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. Disclosure of the details of USEC's planned expansion of the classified network may provide insights into the business and marketing decisions of USEC. Moreover, this information has substantial commercial value, which provides USEC's plans for deployment of the American Centrifuge Plant and the specific details regarding near-term activities of its strategic suppliers. The information provided to the NRC staff at its office in Rockville, Maryland has not been previously disclosed and may cause harm to the competitive position of USEC to deploy the American Centrifuge Plant.

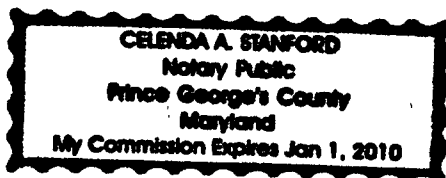
Further the deponent sayeth not.

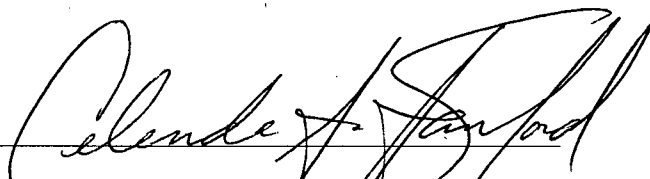
Peter J. Miner, having been duly sworn, hereby confirms that I am the Director, Regulatory and Quality Assurance of USEC, that I am authorized on behalf of USEC to review the information attached hereto and to sign and file with the U.S. Nuclear Regulatory Commission this affidavit and the attachments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


Peter J. Miner

State of Maryland)
) ss.
County of Montgomery)

On this 10th day of October 2007, 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.




Celenda A. Stanford, Notary Public
My commission expires January 1, 2010