



Designated
Original

September 10, 2008
AET 08-0064

Mr. Michael F. Weber
Director, Office of Nuclear Material Safety and Safeguards
ATTN: Document Control Desk, Mail Stop TWFN-2F1
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

**American Centrifuge Plant
Docket Number 70-7004; License Number SNM-2011
Submittal of Information Related to Regulatory Oversight of Strategic Suppliers for the
American Centrifuge Plant – USEC 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**

Dear Mr. Weber:

Pursuant to discussions with the U.S. Nuclear Regulatory Commission staff, USEC Inc. (USEC) hereby submits an update regarding regulatory oversight of strategic suppliers possessing classified matter for the American Centrifuge Plant as Enclosure 1 of this letter. This submittal is being provided for information purposes only and no action is requested.

Enclosure 1 contains USEC Proprietary Information and should be withheld from public disclosure per 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.

**USEC Proprietary Information
When separated from Enclosures, this cover letter is uncontrolled.**

USEC Inc.
6903 Rockledge Drive, Bethesda, MD 20817-1818
Telephone 301-564-3200 Fax 301-564-3201 <http://www.usec.com>

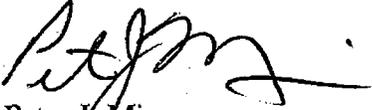
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Received at OCP
02/19/09

USEC Proprietary Information

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If you have any questions regarding this matter, please contact me at (301) 564-3470 or Terry Sensus at (740) 897-2412.

Sincerely,



Peter J. Miner
Director, Regulatory and Quality Assurance

cc: R. DeVault, DOE OR
S. Echols, NRC HQ
J. Henson, NRC Region II
B. Smith, NRC HQ

Enclosure: As Stated

Enclosure 2 of AET 08-0064

Affidavit

**AFFIDAVIT OF PETER J. MINER
SUPPORTING APPLICATION TO WITHHOLD FROM
PUBLIC DISCLOSURE CERTAIN INFORMATION CONTAINED IN
ENCLOSURE 1 FOR THE AMERICAN CENTRIFUGE PLANT**

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 Enclosure 1 regarding a status of USEC's Strategic Suppliers for the American Centrifuge Plant (ACP), 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 U.S. Nuclear Regulatory Commission's (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.

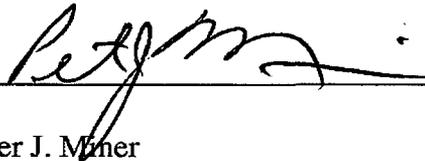
- b) It consists of supporting data, including test data, relative to a process (or component, structure, tool, method, etc.), the application of which data secures a competitive economic advantage (e.g., by optimization or improved marketability).
 - c) Its use by a competitor would reduce their expenditure 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 08-0064. The proprietary information contained within Enclosure 1 describes strategic supplier relationships, products, and schedule information regarding when classified matter will be held at the facilities. This information has not been previously disclosed and is likely to cause substantial harm to the competitive position of USEC because it contains details of the regulatory oversight schedule of our strategic suppliers. Moreover, this information is part of that which will enable USEC to deploy the ACP. This information may be disclosed to the U.S. Department of Energy consistent with on-going discussions concerning deployment of the ACP and likewise, will be requested to be withheld from public disclosure.

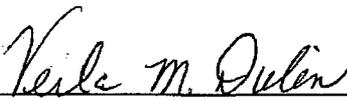
Further the deponent sayeth not.

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 Ohio)
) ss.
County of Pike)

On this 10th day of September 2008, 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.


Verla M. Dulin, Notary Public
My commission expires January 2, 2013