



November 4, 2009
AET 09-0081

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

**American Centrifuge Lead Cascade Facility
Docket Number 70-7003; License Number SNM-7003
Submission of USEC Inc.'s Response to a Request for Additional Information Related to the
Revised Decommissioning Funding Plan for the American Centrifuge Lead Cascade
Facility (TAC L32891) – 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 AND 9.17(a)(4)~~

Purpose

USEC Inc. (USEC) hereby submits to the U.S. Nuclear Regulatory Commission (NRC) responses to the requests for additional information (RAI) related to the revised Decommissioning Funding Plan (DFP) for the American Centrifuge Lead Cascade Facility.

Background

Title 10 *Code of Federal Regulations* (CFR), Part 70.25(a) and Material License SNM-7003, License Condition 15, require USEC to provide a periodic update to USEC's DFP for the Lead Cascade. This proposed change to the DFP was provided to the NRC for review and approval by Reference 1 to meet the three year periodicity requirement of both 10 CFR 70.25(a) and our License Condition 15.

Discussion

Pursuant to Reference 2, Enclosure 1 of this letter provides USEC's responses to the NRC's RAIs. Proprietary proposed changes to the DFP identified as part of the RAI responses are being provided in Enclosure 2 of this letter. Non-proprietary proposed changes to the DFP identified as part of the RAI responses are being provided under separate cover (USEC letter AET 09-0082). In addition to responses to NRC's RAIs, the proposed changes include non-substantive administrative changes identified during the proposed change development process.

**Enclosures 1 and 2 contain USEC Proprietary Information.
When separated, cover letter and Enclosure 3 are uncontrolled.**

11/5/09

~~USEC Proprietary Information~~

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Enclosures 1 and 2 contain USEC Proprietary Information and USEC requests that they be withheld from public disclosure pursuant to 10 CFR 2.390(a)(4). An affidavit required by 10 CFR 2.390(b)(1)(ii) is provided in Enclosure 3 of this letter.

Action

USEC requests NRC review and acceptance of the enclosed RAI responses and proposed changes to the Lead Cascade Decommissioning Funding Plan related to the DFP cost estimate. Upon NRC acceptance of the updated DFP cost estimate, USEC will, within 90 days, issue the proposed change, formally issue a revised DFP, make conforming changes to Chapter 10.0, "Decommissioning," of the Lead Cascade Facility License Application, and will forward executed revised Financial Assurance Mechanisms for Decommissioning Funding.

Contact

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

Sincerely,



Peter J. Miner
Director, Regulatory and Quality Assurance

cc: J. Downs, NRC HQ
J. Henson, NRC Region II
O. Siurano, NRC HQ
B. Smith, NRC HQ

Enclosures: As Stated

References:

1. USEC letter AET 09-0060 to M.F. Weber (NRC) from P.J. Miner regarding Transmittal of Decommissioning Funding Plan and Cost Estimate, dated July 14, 2009
2. NRC letter to P.J. Miner (USEC) from J.R. Downs (NRC) regarding Request for Additional Information Regarding the Revised Decommissioning Funding Plan for the American centrifuge Lead Cascade (TAC No. L32891), dated October 6, 2009

**Enclosures 1 and 2 contain USEC Proprietary Information.
When separated, cover letter and Enclosure 3 are uncontrolled.**

Enclosure 3 to AET 09-0081

Affidavit

**AFFIDAVIT OF PETER J. MINER
SUPPORTING APPLICATION TO WITHHOLD FROM
PUBLIC DISCLOSURE CERTAIN INFORMATION CONTAINED
IN ENCLOSURES 1 AND 2 FOR THE
AMERICAN CENTRIFUGE LEAD CASCADE FACILITY**

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 the decommissioning cost estimates for the American Centrifuge Lead Cascade Facility, 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)(4), and 9.17(a)(4), apply for the withholding of such information from public disclosure by the U.S. 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 Enclosures 1 and 2 to USEC letter AET 09-0081. Enclosure 1 provides USEC's responses to the NRC's request for additional information related to the Decommissioning Funding Plan for the American Centrifuge Lead Cascade Facility. Enclosure 2 contains USEC's decommissioning work unit cost and total labor costs captured in Appendix C of the Decommissioning Funding Plan for the American Centrifuge Lead Cascade Facility. The information contained within Enclosures 1 and 2 have not been previously disclosed and is likely to cause substantial harm to the competitive position of USEC because it contains details of our decommissioning costs which may enhance the ability of the competitors to position and provide similar products. Moreover, disclosure of 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 American Centrifuge Lead Cascade Facility; and
- Ensure adequate funding is available for decommissioning activities for the American Centrifuge Lead Cascade Facility.

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 expenditure of thousands of dollars on analysis to develop the information which 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.

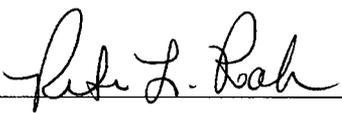
Peter J. Miner, having been duly sworn, hereby confirms that I am the Director, Regulatory and Quality Assurance of USEC, that I am authorized on behalf of USEC to review the information attached hereto and to sign and file with the U.S. Nuclear Regulatory Commission this affidavit and the attachments 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 4th day of November 2009, 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, Notary Public
My commission expires December 1, 2009

