



July 26, 2012
AET 12-0042

ATTN: Document Control Desk
Mr. Patricia Holahan, Director
Division of Security Operations
Office of Nuclear Security and Incident Response
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

**Supplement to Initial Foreign Ownership, Control, or Influence Determination
Request for American Centrifuge Demonstration, LLC – 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 Ms. Holahan:

USEC Inc. (USEC) hereby submits to the U.S. Nuclear Regulatory Commission (NRC) a supplement to the initial Foreign Ownership, Control or Influence (FOCI) determination request for its wholly owned indirect subsidiary, American Centrifuge Demonstration, LLC. The initial FOCI determination request was contained in Reference 1, dated July 24, 2012.

Enclosure 1 contains supplemental information which replaces previously provided information submitted by Reference 1. Based on communication with NRC staff, a resigned SF-328 (Enclosure 1 of Reference 1) and new version of the Non-Possessing Security Plan (Enclosure 4 of Reference 1) are included in the enclosure. Additionally, Enclosure 1 provides the signed Memorandum of Agreement (Enclosure 6 of Reference 1). The three documents provided in Enclosure 1 contain USEC Proprietary Information; therefore, USEC requests that this enclosure be withheld from public disclosure pursuant to 10 *Code of Federal Regulations* 2.390(a)(4). An affidavit required by 10 CFR 2.390(b)(1)(ii) is provided in Enclosure 2 of this letter.

**Document transmitted herewith contains
USEC Proprietary Information
When separated from Enclosure 1 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>

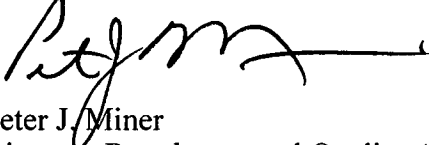
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USEC Proprietary Information

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

Sincerely,



Peter J. Miner
Director, Regulatory and Quality Assurance

Enclosures: As stated

cc: K. Everly, NRC HQ (with Enclosures)
P. Jackson, DOE ORO (with Enclosures)
J.T. Howell, DOE ORO (w/out Enclosures)
M. Pribish, DOE ORO (w/out Enclosures)
O. Siurano, NRC HQ (with Enclosures)
B. Smith, NRC HQ (w/out Enclosures)

Reference:

1. USEC letter AET 12-0038 from P.J. Miner to P. Holahan (NRC) regarding Initial Foreign Ownership, Control, or Influence Determination for American Centrifuge Demonstration, LLC, dated July 24, 2012

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Enclosure 2 of AET 12-0042

Affidavit

Information Contained Within
Does Not Contain
Export Controlled Information

Name: R. Lykowski

Date: 07/26/2012

**AFFIDAVIT OF PETER J. MINER
SUPPORTING APPLICATION TO WITHHOLD FROM
PUBLIC DISCLOSURE CERTAIN INFORMATION CONTAINED
WITHIN LETTER AET 12-0042, SUPPLEMENT TO INITIAL FOREIGN
OWNERSHIP, CONTROL, OR INFLUENCE DETERMINATION REQUEST FOR
AMERICAN CENTRIFUGE DEMONSTRATION, LLC**

I, Peter J. Miner, of USEC Inc., having been duly sworn, do hereby affirm and state:

1. I have been authorized by USEC Inc. to (a) review the information owned by USEC Inc. referenced herein providing supplemental information to support the Initial Foreign Ownership, Control, or Influence Determination review for American Centrifuge Demonstration, LLC which USEC Inc. 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), and (b) apply for the withholding of such information from public disclosure by the U.S. Nuclear Regulatory Commission on behalf of USEC Inc.
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 Inc.
 - ii. The information is of a type customarily held in confidence by USEC Inc. and not customarily disclosed to the public. USEC Inc. 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 Inc. 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:

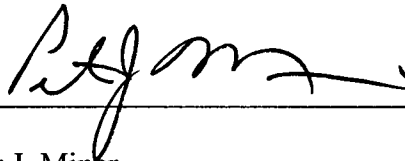
- a) The information reveals the distinguishing aspects of a process (or component, structure, tool, method, etc.) where presentation of its use by any of USEC Inc.'s competitors without license from USEC Inc. constitutes a competitive economic advantage over other companies.
 - b) It consists of supporting 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 Inc., its customers or suppliers.
 - e) It reveals aspects of past, present, or future USEC Inc. or customer funded development plans and programs of potential commercial value to USEC Inc.
 - 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 Inc. system which include the following:
- a) The use of such information by USEC Inc. gives USEC Inc. a competitive advantage over its competitors. It is, therefore, withheld from disclosure to protect the USEC Inc. competitive position.
 - b) It is information, which is marketable in many ways. The extent to which such

information is available to competitors diminishes USEC Inc.'s ability to sell products and services involving the use of the information.

- c) Use by our competitors would put USEC Inc. at a competitive disadvantage by reducing their expenditure of resources at USEC Inc. 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 Inc. of a competitive advantage.
 - e) Unrestricted disclosure would jeopardize the position of prominence of USEC Inc. in the world market, and thereby give a market advantage to the competition of those countries.
 - f) The USEC Inc. 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 detailed 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 of letter AET 12-0042. This enclosure contains the executed SF-328, security-related information concerning the protection of classified matter whose release could cause an increased risk to the security and/or protection should this information be available to adversaries, and details of the inter-company arrangements entered into for execution of the Cooperative Agreement among the parties and specifies the terms and conditions of the agreement which the parties have agreed to maintain confidential.

Further the deponent sayeth not.

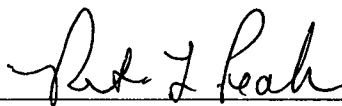
Peter J. Miner, having been duly sworn, hereby confirms that I am the Director, Regulatory and Quality Assurance of USEC Inc., that I am authorized on behalf of USEC Inc. to review the information attached hereto and to sign and file with the U.S. Nuclear Regulatory Commission this affidavit and the 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 26th day of July 2012, 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 10, 2013

