



November 20, 2013
ACO 13-0050

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

**American Centrifuge Lead Cascade Facility
Docket Number 70-7003; License Number SNM-7003
American Centrifuge Plant
Docket Number 70-7004; License Number SNM-2011
Request for Foreign Ownership, Control, or Influence Determination in Support of the
American Centrifuge Project – 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) information for a Foreign Ownership, Control or Influence (FOCI) Determination for Quality Inspection Services, Inc.

Enclosure 1 contains the following information needed to request a FOCI determination and grant a facility clearance for Quality Inspection Services, Inc. which will assist Engineering, Procurement & Construction with projects for the American Centrifuge Project:

1. FOCI Justification Form
2. Contract Security Classification Specification
3. Non-Possessing Security Plan
4. FOCI Data Sheet and applicable attachments

Document transmitted herewith contains
~~USEC Proprietary Information~~
When separated from Enclosures 1 and 2, this cover letter is uncontrolled.

USEC Inc.
3930 U.S. Route 23 South – P.O. Box 628
Piketon, OH 45661 <http://www.usec.com>

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~~USEC Proprietary Information~~

Ms. Patricia K. Holahan
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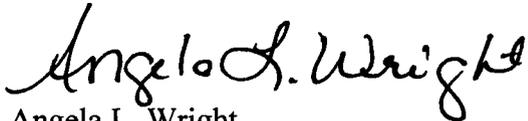
Per the verbal request of U.S. Department of Energy's staff on May 14, 2013, Enclosure 2 contains supporting documentation for Libertytown 2 USA, Inc. USEC has no interest in obtaining a FOCI determination on Libertytown 2 USA, Inc.

Enclosures 1 and 2 contain USEC Proprietary Information; therefore, USEC requests that these enclosures 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) for each company is provided in Enclosures 3 and 4, respectively, of this letter.

USEC respectfully requests NRC review and determination of the enclosed FOCI information at NRC's earliest convenience.

If you have any questions regarding this matter, please contact me at (740) 897-2749.

Sincerely,



Angela L. Wright
Security Technical Manager, Personnel Security Office

Enclosures: As stated

cc: K. Everly, NRC HQ
P. Jackson, DOE ORO
O. Siurano, NRC HQ

Enclosure 3 of ACO 13-0050

Affidavit for Quality Inspection Services, Inc.

Information Contained Within
Does Not Contain
Export Controlled Information

Name: Gregg Peed
Date: 11/11/2013

**AFFIDAVIT OF JOHN F. NESSELBUSH
SUPPORTING APPLICATION TO WITHHOLD FROM
PUBLIC DISCLOSURE CERTAIN INFORMATION CONTAINED
IN ENCLOSURE 1 OF USEC LETTER ACO 13-0050**

I, John F. Nesselbush of Quality Inspection Services, Inc. having been duly sworn, do hereby affirm and state:

1. I have been authorized by Quality Inspection Services, Inc. to review the information owned by Quality Inspection Services, Inc. and is referenced herein providing the necessary information needed to request a Foreign Ownership, Control or Influence (FOCI) Determination for Quality Inspection Services, Inc. in support of the American Centrifuge Project, which Quality Inspection Services, 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), apply for the withholding of such information from public disclosure by the U.S. Nuclear Regulatory Commission (NRC) on behalf of Quality Inspection Services, 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 Quality Inspection Services, Inc.
 - ii. The information is of a type customarily held in confidence by Quality Inspection Services, Inc. and not customarily disclosed to the public. Quality Inspection

Services, 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 Quality Inspection Services, 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 Quality Inspection Services, Inc. or USEC Inc.'s competitors without license from Quality Inspection Services, 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 Quality Inspection Services, Inc., its customers, or suppliers.

- e) It reveals aspects of past, present, or future Quality Inspection Services, Inc. or customer funded development plans and programs of potential commercial value to Quality Inspection Services, 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 Quality Inspection Services, Inc. system which include the following:
- a) The use of such information by Quality Inspection Services, Inc. gives Quality Inspection Services, Inc. a competitive advantage over its competitors. It is, therefore, withheld from disclosure to protect the Quality Inspection Services, Inc. competitive position.
 - b) It is information, which is marketable in many ways. The extent to which such information is available to competitors diminishes Quality Inspection Services, Inc.'s ability to sell products and services involving the use of the information.
 - c) Use by our competitors would put Quality Inspection Services, Inc. at a competitive disadvantage by reducing their expenditure of resources at Quality Inspection Services, 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 Quality Inspection

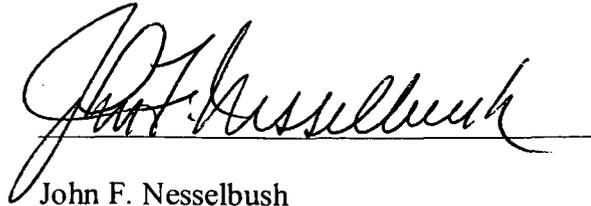
Services, Inc. of a competitive advantage.

- e) Unrestricted disclosure would jeopardize the position of prominence of Quality Inspection Services, Inc. in the world market, and thereby give a market advantage to the competition of those countries.
 - f) The Quality Inspection Services, Inc. capacity to invest 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 of USEC letter ACO 13-0050 and provides the necessary information needed to request a FOCI determination and grant a facility clearance for Quality Inspection Services, Inc. Specifically, Enclosure 1 contains the following:
- FOCI Justification Form,
 - Contract Security Classification Specification,
 - Non-Possessing Security Plan, and
 - FOCI Data Sheet and applicable attachments, which includes financial information for Quality Inspection Services, Inc.

Quality Inspection Services, Inc. will assist USEC in support of the American Centrifuge Project. The information contained within this letter has not been previously disclosed and could potentially cause an increased risk to the security and/or protection of the shipments should this information be publicly available to adversaries.

Further the deponent sayeth not.

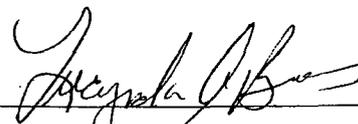
John F. Nesselbush, having been duly sworn, hereby confirms that I am the Vice President, Operations of Quality Inspection Services, Inc., that I am authorized on behalf of Quality Inspection Services, Inc. to review the information attached hereto and to sign and file with the U.S. Nuclear Regulatory 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.



John F. Nesselbush

State of New York)
) ss.
County of Erie)

On this 11th day of September 2013, 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.



Lucynda A Beers, Notary Public
My commission expires October 11, 2013

Lucynda A. Beers
Notary Public, State of New York
Qualified in Erie County 01BE6135088
My commission expires October 11, 2013

Enclosure 4 of ACO 13-0050

Affidavit for Libertytown 2 USA, Inc.

Information Contained Within
Does Not Contain
Export Controlled Information

Name: Gregg Peed
Date: 11/11/2013

**AFFIDAVIT OF GREGORY ROSSMILLER
SUPPORTING APPLICATION TO WITHHOLD FROM
PUBLIC DISCLOSURE CERTAIN INFORMATION CONTAINED
IN ENCLOSURE 2 OF USEC LETTER ACO 13-0050**

I, Gregory Rossmiller of Libertytown 2 USA, Inc. having been duly sworn, do hereby affirm and state:

1. I have been authorized by Libertytown 2 USA, Inc. to review the information owned by Libertytown 2 USA, Inc. and is referenced herein providing the necessary information needed to request a Foreign Ownership, Control or Influence (FOCI) Determination for Libertytown 2 USA, Inc. in support of the American Centrifuge Project, which Libertytown 2 USA, 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), apply for the withholding of such information from public disclosure by the U.S. Nuclear Regulatory Commission (NRC) on behalf of Libertytown 2 USA, 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 Libertytown 2 USA, Inc.
 - ii. The information is of a type customarily held in confidence by Libertytown 2 USA, Inc. and not customarily disclosed to the public. Libertytown 2 USA, 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 Libertytown 2 USA, 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 Libertytown 2 USA, Inc. or USEC Inc.'s competitors without license from Libertytown 2 USA, 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 Libertytown 2 USA, Inc., its customers, or suppliers.

- e) It reveals aspects of past, present, or future Libertytown 2 USA, Inc. or customer funded development plans and programs of potential commercial value to Libertytown 2 USA, 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 Libertytown 2 USA, Inc. system which include the following:
- a) The use of such information by Libertytown 2 USA, Inc. gives Libertytown 2 USA, Inc. a competitive advantage over its competitors. It is, therefore, withheld from disclosure to protect the Libertytown 2 USA, Inc. competitive position.
 - b) It is information, which is marketable in many ways. The extent to which such information is available to competitors diminishes Libertytown 2 USA, Inc.'s ability to sell products and services involving the use of the information.
 - c) Use by our competitors would put Libertytown 2 USA, Inc. at a competitive disadvantage by reducing their expenditure of resources at Libertytown 2 USA, 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 Libertytown 2 USA, Inc. of a competitive advantage.

- e) Unrestricted disclosure would jeopardize the position of prominence of Libertytown 2 USA, Inc. in the world market, and thereby give a market advantage to the competition of those countries.
 - f) The Libertytown 2 USA, Inc. capacity to invest 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 2 of USEC letter ACO 13-0050 and provides the requested documentation needed to support the requested FOCI determination and granting of a facility clearance for Quality Inspection Services, Inc. Specifically, Enclosure 2 contains the following:
- Non-Possessing Security Plan and
 - FOCI Data Sheet and applicable attachments, which includes financial information for Libertytown 2 USA, Inc.

Libertytown 2 USA, Inc. is the parent company of Quality Inspection Services, Inc. will assist USEC in support of the American Centrifuge Project. The information contained within this letter has not been previously disclosed and could potentially cause an increased risk to the security and/or protection of the shipments should this information be publicly available to adversaries.

