

~~Security-Related Information - Withhold Under 10 CFR 2.390~~

~~Export Controlled Information~~

~~Proprietary Information~~



April 14, 2016
ACO 16-0014

ATTN: Document Control Desk
Mr. Scott Moore, Acting 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
American Centrifuge Plant
Docket Number 70-7004; License Number SNM-2011

Response to Request for Additional Information Related to the Summary of Changes for Calendar Year 2015 (TAC No. L34354) – Security-Related Information, Export Controlled Information, and 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)

AND

INFORMATION TRANSMITTED HEREWITH IS PROTECTED FROM DISCLOSURE PURSUANT TO 10 CFR PART 810

Dear Mr. Moore:

Purpose

The purpose of this letter is to submit to the U.S. Nuclear Regulatory Commission (NRC) additional information related to the brief summary of facility changes for calendar year 2015.

Information transmitted herewith contains
~~Security-Related Information - Withhold Under 10 CFR 2.390~~
~~Export Controlled Information~~
~~Proprietary Information~~
When separated from Enclosures 1 and 2, this cover letter is uncontrolled

American Centrifuge Operating, LLC
3930 U.S. Route 23 South - P.O. Box 628
Piketon, OH 45661

NM15501

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Background

On January 25, 2016, Reference 1 provided a brief summary of the facility changes made without prior NRC approval in accordance with 10 *Code of Federal Regulations* (CFR) 70.72. This summary was submitted as required by 10 CFR 70.62(a)(2) and is for calendar year 2015. On March 22, 2016, NRC requested (in Reference 2) the following additional information on selected Change Evaluations performed during calendar year 2015 to verify that the requirements of 10 CFR 70.72(c) were met:

- (1) The facility change package which should detail the evaluation performed in accordance with 10 CFR 70.72(a),
- (2) Any other explanation on how the individual requirements of 10 CFR 70.72(c) were satisfied for each change performed, and
- (3) All related revisions to the requested change.

Discussion

Enclosures 1 and 2 provide the facility change packages requested, which includes the evaluations performed and related revisions in accordance with 10 CFR 70.72(a) and how 10 CFR 70.72(c) requirements have been met.

Enclosures 1 and 2 contain a combination of Centrus Proprietary Information, Security-Related Information, or Export Controlled Information. The cover sheet for each enclosure identifies the relevant classification. It is requested that the Centrus Proprietary Information 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. Additionally, it is requested that the Security-Related Information be withheld from public disclosure per 10 CFR 2.390(d)(1). In accordance with the guidance provided by the U.S. Department of Energy, Export Controlled Information must be protected from disclosure per the requirements of 10 CFR Part 810.

Action

This letter is in response to the NRC's request in Reference 2. No specific action is requested.

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Contact

If you have any questions regarding this matter, please contact me at (740) 897-2887.

Sincerely,



Jonathan K. Corrado
Regulatory Manager

Enclosures: As Stated

cc (without enclosure unless otherwise noted):

- J. Downs, NRC HQ (Enclosure)
- T. Grice, NRC HQ
- L. Pitts, NRC Region II (Enclosure)
- O. Siurano-Perez, NRC HQ (Enclosure)
- M. Sykes, NRC Region II
- T. Vukovinsky, Region II

References:

1. Centrus letter ACO 16-0005 from M. Robles to C. Haney (NRC) regarding Annual Summary Report of Facility Changes, dated January 25, 2016
2. NRC letter from O. Siurano-Perez to S. Toelle (Centrus) regarding Review of Annual Summary Report of Facility Changes for Calendar Year 2015 - American Centrifuge Lead Cascade Facility and American Centrifuge Plant (Cost Accounting Code Number L34354), dated March 22, 2016

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Enclosure 3 to ACO 16-0014

Affidavit

**Information Contained Within
Does not contain
Export Controlled Information**

**Reviewer: Gregg Peed
Date: 04/08/2016**

**AFFIDAVIT OF STEVEN A. TOELLE
SUPPORTING APPLICATION TO WITHHOLD FROM
PUBLIC DISCLOSURE CERTAIN INFORMATION CONTAINED IN
CENTRUS LETTER ACO 16-0014 ENCLOSURE 2
FOR THE AMERICAN CENTRIFUGE PLANT AND
AMERICAN CENTRIFUGE LEAD CASCADE FACILITY**

I, Steven A. Toelle, of Centrus Energy Corp. (Centrus), having been duly sworn, do hereby affirm and state:

1. I have been authorized by Centrus to (a) review the information owned by Centrus which is referenced herein relating to the U.S. Nuclear Regulatory Commission (NRC) Review of Internally Authorized Changes for 2015 which Centrus 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 Centrus.
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 Centrus.
 - ii. The information is of a type customarily held in confidence by Centrus and not customarily disclosed to the public. Centrus 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 Centrus 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 Centrus' competitors without license from Centrus 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 Centrus, its customers or suppliers.
 - e) It reveals aspects of past, present, or future Centrus or customer funded development plans and programs of potential commercial value to Centrus.
 - 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 Centrus system which include the following:
- a) The use of such information by Centrus gives Centrus a competitive advantage over its competitors. It is, therefore, withheld from disclosure to protect the Centrus competitive position.
 - b) It is information, which is marketable in many ways. The extent to which such information is

available to competitors diminishes Centrus' ability to sell products and services involving the use of the information.

- c) Use by our competitors would put Centrus at a competitive disadvantage by reducing their expenditure of resources at Centrus 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 Centrus of a competitive advantage.
 - e) Unrestricted disclosure would jeopardize the position of prominence of Centrus in the world market, and thereby give a market advantage to the competition of those countries.
 - f) The Centrus 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 2 of ACO 16-0014. Enclosure 2 provides a copy of documents to the NRC staff in response to a request for additional information on selected Facility/Plant Change Evaluations associated with the American Centrifuge Plant and American Centrifuge Lead Cascade Facility. Public disclosure of this proprietary information is likely to cause substantial harm to the competitive position of Centrus because it may enhance the ability of competitors to position and provide similar products.

Moreover, disclosure of this information may provide insights into the design of the American Centrifuge technology, including structures, systems, and components categorized as Export Controlled Information.

This information is part of that which will enable Centrus to:

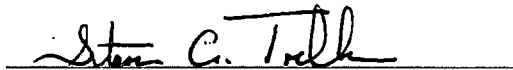
- Identify the detailed process flows of the various structures, systems, and components used within the American Centrifuge Plant and American Centrifuge Lead Cascade Facility; and
- Analyze the hazards evaluations associated with event sequences.

Further, this information has substantial commercial value as follows:

- The development of the information described in part is the result of applying many hundreds of person-hours and the expenditure of thousands of dollars on design and analysis activities to achieve the information that is sought to be withheld; and
- In order for a competitor of Centrus to duplicate the 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.

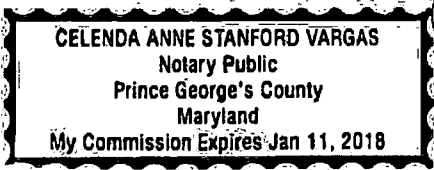
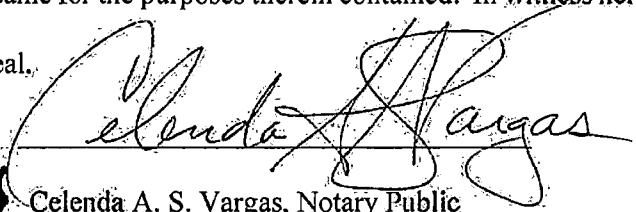
Steven A. Toelle, having been duly sworn, hereby confirms that I am the Director, Regulatory Affairs of Centrus, that I am authorized on behalf of Centrus to review the information attached hereto and to sign and file with the U.S. Nuclear Regulatory Commission this affidavit and the attachments hereto,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



Steven A. Toelle

State of Maryland)
) ss.
County of Montgomery)

On this 14th day of April, 2016, 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. S. Vargas, Notary Public
My commission expires January 11, 2018