

January 29, 2020
ACO 20-0005

70-7003
70-7004

ATTN: Document Control Desk
Ms. Marissa Bailey, Director
Division of Security Operations
Office of Nuclear Security and Incident Response
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Supplemental Information Related to Foreign Ownership, Control, or Influence 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. Bailey:

The purpose of this letter is to submit information regarding the actions identified in the Centrus Energy Corp. (Centrus) Letter of Intent dated October 28, 2019 (Reference 1). In a meeting with American Centrifuge Operating, LLC (ACO) staff in Oak Ridge, Tennessee, on October 22, 2019, NRC directed ACO to propose measures to mitigate or negate concerns related to ACO identified during the review of the July 9, 2019, update to the Centrus Foreign Ownership, Control, or Influence (FOCI) information. The Letter of Intent proposed the mitigation/negation measures.

Enclosure 1 provides information related to FOCI mitigation/negation. Enclosure 2 provides updated FOCI information for ACO. Enclosure 3 provides ACO's unaudited financial information for nine months of calendar year 2019. Enclosure 4 provides a contingency plan for meeting contractual obligations.

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Enclosures 1 and 2 contain Security-Related Information and in accordance with the guidance provided by the U.S. Department of Energy, also contains Official Use Only information. ACO requests Enclosures 1 and 2 be withheld from public disclosure pursuant to 10 CFR 2.390(d)(1).

Enclosures 3 and 4 contain Proprietary Information and in accordance with the guidance provided by the U.S. Department of Energy, also contains Official Use Only information. ACO requests that Enclosures 3 and 4 be withheld from public disclosure pursuant to 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 5.

If any further information is needed to complete the review of this supplemental information, please contact Michael Whitehurst at (301) 564-3475.

Sincerely,



Kelly L. Wiehle
Regulatory Manager

Enclosures: As stated

Reference:

- 1) Letter ACO 19-0028 from L.B. Cutlip to M. Bailey (NRC) regarding Letter of Intent Related to Foreign Ownership, Control, or Influence Information, dated October 28, 2019

cc: B. Brown, DOE, NE-ORSO1
R. DeVault, DOE, NE-OR3, NE-ORSO
K. Everly, NRC HQ
Y. Faraz, NRC HQ
M. McCune, DOE, NE-OR1, NE-ORSO
S. Rice, DOE, NE-OR1, NE-ORSO
L. Pitts, NRC Region II
D. Tiktinski, NRC HQ
R. Womack, NRC Region II

Enclosure 5 of ACO 20-0005

Affidavit

**Information Contained Within
Does Not Contain
Export Controlled Information**

Reviewing

Official: _____ #1014

Date: 01/29/2020

**AFFIDAVIT OF LARRY B. CUTLIP
SUPPORTING APPLICATION TO WITHHOLD FROM
PUBLIC DISCLOSURE CERTAIN INFORMATION PROVIDED TO NRC IN
LETTER ACO 20-0005**

I, Larry B. Cutlip, 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 a supplement to the Foreign Ownership, Control or Influence (FOCI) information for Centrus described in Centrus letter ACO 20-0005, 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)(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 (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

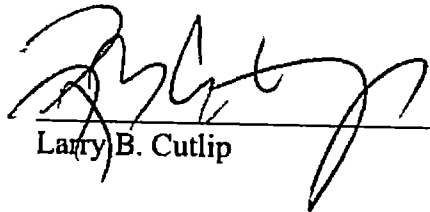
competitive position.

- 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 Enclosures 3 and 4 of Centrus letter ACO 20-0005. This letter provides NRC with subsidiary company financial information and project contingency plans.

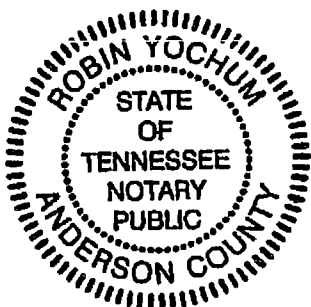
Further the deponent sayeth not.

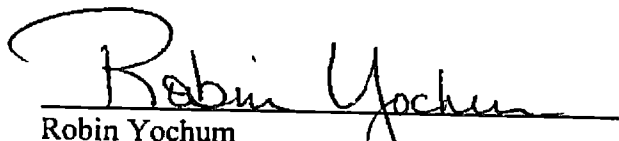
Larry B. Cutlip, having been duly sworn, hereby confirms that I am the Senior Vice President, Field Operations of Centrus, that I am authorized on behalf of Centrus to review the information attached hereto and to sign and file with the U.S. Nuclear Regulatory Commission this affidavit and the attachments hereto, and that the statements made and matters set forth herein are true and correct to the best of my knowledge, information, and belief.


Larry B. Cutlip

On this 29th day of January 2020, Larry B. Cutlip 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.




Robin Yochum
State of Tennessee Notary Public, Anderson County
My commission ends July 28, 2020