

GEORGE P. RIFAKES  
EXECUTIVE VICE PRESIDENT, PRODUCTION

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January 26, 1998

Dr. Carl J. Paperiello  
Director, Office of Nuclear Material  
Safety and Safeguards  
Attention: Document Control Desk  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555-0001

SERIAL: GDP 98-0007

**Paducah Gas us Diffusion Plant (PGDP)**  
**Portsmouth Gaseous Diffusion Plant (PORTS)**  
**Docket Nos. 70-7001 and 70-7002**  
**Submittal of NRC Form 327, "Special Nuclear Material (SNM) and Source Material (SM) Physical Inventory Summary Report"**

INFORMATION TRANSMITTED HERewith IS PROTECTED FROM PUBLIC  
DISCLOSURE AS CONFIDENTIAL COMMERCIAL OR FINANCIAL INFORMATION  
AND/OR TRADE SECRETS PURSUANT TO 10 CFR 2.790 AND 9.17(a)(4)

Dear Dr. Paperiello:

As required by 10 CFR 74.17(a), the United States Enrichment Corporation (USEC) is submitting to the Nuclear Regulatory Commission (NRC) the enclosed Form 327 documents for the Paducah, Kentucky and Portsmouth, Ohio Gaseous Diffusion Plants (PGDP and PORTS, respectively). These Form 327 documents cover the inventory period ending November 31, 1997. These documents contain confidential commercial or financial information or trade secrets that are exempt from public disclosure pursuant to Section 1314 of the Atomic Energy Act of 1954, as amended, and 10 CFR 2.790 and/or 9.17(a)(4). USEC hereby requests that the enclosed Form 327 documents be withheld from public disclosure.

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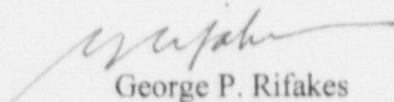
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Line 7 of previously submitted Form 327 documents contained a bias for retained inventory. Both PGDP and PORTS have made a change to the Fundamental Nuclear Materials Control Plan (FNMCP) under 10 CFR 76.68 to delete the requirement to include retained inventory in the amount reported on Line 7 of the Form 327 documents. Therefore, the enclosed Form 327 documents do not include an allowance for retained inventory, and this allowance will not be included in future submittals.

The enclosed USEC affidavit provides the information required by 10 CFR 2.790(b)(4) for the enclosed Form 327 documents.

There are no new commitments made in this letter. Should you have any questions or comments on the enclosed information, please call me at (301) 564-3301 or Mark Lombard at (301) 564-3248.

Sincerely,



George P. Rifakes  
Executive Vice President, Operations

Enclosures: As stated

cc:  
NRC Region III Office  
NRC Resident Inspector - PORTS  
NRC Resident Inspector - PGDP

**AFFIDAVIT OF GEORGE P. RIFAKES  
SUPPORTING APPLICATION TO WITHHOLD FROM  
PUBLIC DISCLOSURE FORM 327 DOCUMENTS  
FOR THE PADUCAH AND PORTSMOUTH GASEOUS DIFFUSION PLANTS**

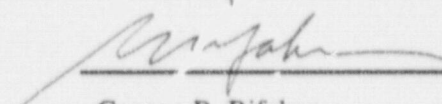
I, George P. Rifakes, Executive Vice President, Operations, United States Enrichment Corporation (USEC), having been duly sworn do hereby affirm and state:

1. I am an officer of USEC and have been authorized by USEC to (a) review the information owned by USEC which is referenced herein relating to the Paducah and Portsmouth Gaseous Diffusion Plants and 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 2.790(a)(3), 2.790(a)(4), 2.790(d)(1) and 9.17(a)(4), and (b) apply for the withholding of such information from public disclosure by the Nuclear Regulatory Commission (NRC) on behalf of USEC.

2. Pursuant to 10 CFR 74.17(a), USEC has prepared a Form 327, Special Nuclear Material (SNM) and Source Material (SM) Physical Inventory Summary Report for each of the Paducah and Portsmouth Gaseous Diffusion Plants which describes the amount of nuclear material possessed by USEC at each plant. 10 CFR 2.790(d)(1) states that correspondence and reports to or from the NRC containing information concerning an applicant's material control and accounting program for special nuclear material not otherwise designated as Safeguards Information or classified as National Security Information or Restricted Data are deemed to be confidential commercial or financial information exempt from public disclosure. Accordingly, USEC requests that the Paducah and Portsmouth Form 327 documents be withheld from public disclosure pursuant to section 147 of the AEA, 42 U.S.C. § 2167, and 10 CFR 2.790(a)(3), 2.790(a)(4), 2.790(d)(1) and 9.17(a)(4).

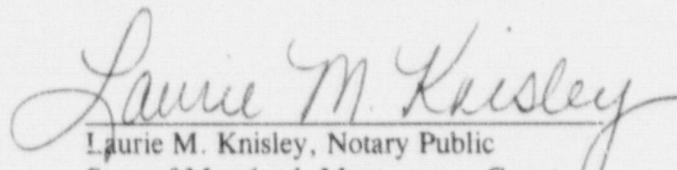


3. George P. Rifakes, having been duly sworn, hereby confirms that I am Executive Vice President, Operations, of USEC, that I am authorized on behalf of USEC to review the information attached hereto and to sign and file with the Nuclear Regulatory Commission this affidavit and the attachments hereto, and that the statements made and matters set forth herein are true and correct to the best of my knowledge or belief.

  
George P. Rifakes

On this 26th day of January, 1998, the officer 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.

  
Laurie M. Knisley, Notary Public  
State of Maryland, Montgomery County  
My commission expires March 17, 1998