

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

~~Official Use Only~~

~~USEC Proprietary Information~~



May 7, 2012
AET 12-0029

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

**American Centrifuge Plant and Lead Cascade Facility
Docket Numbers 70-7004 and 70-7003; License Numbers SNM-2011 and SNM-7003
Responses to NRC Inspection Report 07007004/2012201 Open Items – USEC Proprietary
Information, Security-Related Information, and Official Use Only**

**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)**

Dear Ms. Holahan:

Purpose

The purpose of this letter is to submit USEC Inc.'s (USEC) responses to the open items identified in Reference 1 to the U.S. Nuclear Regulatory Commission (NRC) for review and closure.

Discussion

Enclosure 1 provides USEC's responses to the open items and subsequent Enclosures provide for convenience objective evidence that the actions have been completed to aid NRC's closure review. Specifically, Enclosure 2 provides applicable portions of revised Procedure ACD2-SP-001, *Personnel Security Program*. Enclosure 3 provides applicable portions of revised matrix TPP-2603-0003, *Training Requirements Limitation Matrix*, and Training Modules U00013, *Security Education and Awareness Initial Training*; U00152, *American Centrifuge Program C-24 Briefing*; U00210, *American Centrifuge Security Education and Awareness (Refresher Briefing)*; and U00211, *Classified Matter Protection and Control Manual*. Enclosure 4 provides applicable portions of revised Procedure ACD2-SP-017, *Badge Issue/Visitor Control Program*. Enclosure 5 provides applicable portion of revised Procedure ACD2-SP-009, *High Security Key and Lock Control for Classified Storage Areas*.

~~Document herewith contains~~

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When separated from Enclosures 1 through 5, this letter is uncontrolled.

USEC Inc.
6903 Rockledge Drive, Bethesda, MD 20817-1818
Telephone 301-564-3200 Fax 301-564-3201 <http://www.usec.com>

NSIROB
IE07

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Enclosure 1 contains Security-Related Information and in accordance with the guidance provided by the U.S. Department of Energy (DOE), this enclosure also contains Official Use Only information. Therefore, USEC requests this enclosure be withheld from public disclosure pursuant to 10 *Code of Federal Regulations* (CFR) 2.390(d)(1). Enclosures 2 through 5 contain USEC Proprietary Information; therefore, USEC requests that this 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 as Enclosure 6 of this letter.

Action

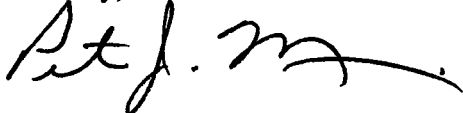
USEC requests NRC review and closure of open items #1, and #4 through #8 by June 15, 2012. The status of open items #2 and #3 is being provided to NRC for completeness.

NRC's review of these open items will support closure of TAC No. L34141 related to USEC's Request to Review the Security Program for American Centrifuge American Centrifuge Operating, LLC.

Contact

If you have any questions regarding this matter, please contact me at (301) 564-3470 or Terry Sensue at (740) 897-2412.

Sincerely,



Peter J. Miner
Director, Regulatory and Quality Assurance

Enclosures: As Stated

cc (without enclosures, unless otherwise noted):

- J. Calle, NRC Region II
- R. DeVault, DOE
- J. Downs, NRC HQ
- K. Everly, NRC HQ (w/enclosures)
- D. Hartland, NRC Region II
- M. Heiskell, DOE
- S. Rice, DOE (w/enclosures)
- B. Smith, NRC HQ
- O. Siurano, NRC HQ (w/enclosures)
- B. Stapleton, NRC HQ

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Reference:

1. NRC letter from Bernard W. Stapleton to P.J. Miner (USEC) regarding NRC Inspection Report No. 07007004/2012201, dated February 17, 2012

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Enclosure 6 of AET 12-0029

Affidavit

**Information contained within
does not contain
Export Controlled Information**

Reviewer: G. Peed
Date: 05/04/2012

**AFFIDAVIT OF PETER J. MINER
SUPPORTING APPLICATION TO WITHHOLD FROM
PUBLIC DISCLOSURE CERTAIN INFORMATION CONTAINED
IN ENCLOSURES 2 THROUGH 5 OF AET 12-0029**

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

1. I have been authorized by USEC to (a) review the information owned by USEC and is referenced herein relating to USEC's internally generated procedures, forms, and training modules for the American Centrifuge Lead Cascade Facility (Lead Cascade) and American Centrifuge Plant (ACP), 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 2.390(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 USEC.
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.
 - ii. The information is of a type customarily held in confidence by USEC and not customarily disclosed to the public. USEC 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 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's competitors without license from USEC 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, its customers or suppliers.
 - e) It reveals aspects of past, present, or future USEC or customer funded development plans and programs of potential commercial value to USEC.
 - 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 system which include the following:
- a) The use of such information by USEC gives USEC a competitive advantage over its competitors. It is, therefore, withheld from disclosure to protect the USEC competitive position.

- b) It is information, which is marketable in many ways. The extent to which such information is available to competitors diminishes USEC's ability to sell products and services involving the use of the information.
 - c) Use by our competitors would put USEC at a competitive disadvantage by reducing their expenditure of resources at USEC 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 of a competitive advantage.
 - e) Unrestricted disclosure would jeopardize the position of prominence of USEC in the world market, and thereby give a market advantage to the competition of those countries.
 - f) The USEC 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 2 through 5 of USEC letter AET 12-0029. Specifically, Enclosure 2 provides applicable portions of revised Procedure ACD2-SP-001, *Personnel Security Program*. Enclosure 3 provides applicable portions of revised matrix TPP-2603-0003, *Training Requirements Limitation Matrix*, and Training Modules U00013, *Security Education and Awareness Initial Training*; U00152,

American Centrifuge Program C-24 Briefing; U00210, *American Centrifuge Security Education and Awareness* (Refresher Briefing); and U00211, *Classified Matter Protection and Control Manual*. Enclosure 4 provides applicable portions of revised Procedure ACD2-SP-017, *Badge Issue/Visitor Control Program*. Enclosure 5 provides applicable portion of revised Procedure ACD2-SP-009, *High Security Key and Lock Control for Classified Storage Areas*. The information contained within these enclosures has not been previously disclosed and its release would provide potential adversaries with information regarding implementation details of USEC's Classified Matter Protection program.

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

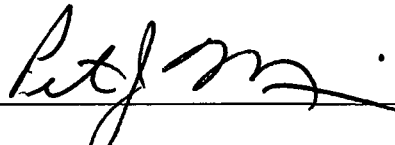
- Continue to deploy the Lead Cascade and ACP; and
- Ensure adequate protection of classified matter at the Lead Cascade and ACP.

Further, this information has substantial commercial value as follows:

- The development of the information described in part is the result of applying many person-hours and expenditure of thousands of dollars on development of the training and procedural details which is sought to be withheld; and
- In order for a competitor of USEC to duplicate this 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.

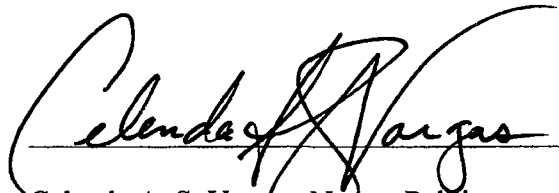
Peter J. Miner, having been duly sworn, hereby confirms that I am the Director, Regulatory and Quality Assurance of USEC, that I am authorized on behalf of USEC to review the information attached hereto and to sign and file with the U.S. Nuclear Regulatory Commission this affidavit and the attachments 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 7th day of May 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.



Celenda A. S. Vargas, Notary Public
My commission expires January 11, 2014

