



~~Security-Related Information Withhold Under 10 CFR 2.390~~
~~Official Use Only, Export Controlled Information, and Proprietary Information~~

January 5, 2018
ACO 18-0001

ATTN: Document Control Desk
Mr. Jacob I. Zimmerman, Chief
Enrichment and Conversion Branch
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

**American Centrifuge Lead Cascade Facility
Docket Number 70-7003; License Number SNM-7003**

Submittal of Revision to the Decommissioning Plan for the American Centrifuge Lead Cascade Facility – Security-Related Information, Official Use Only, 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
10 CFR PART 810**

Dear Mr. Zimmerman:

Purpose

The purpose of this letter is to provide an updated Decommissioning Plan (DP) for the American Centrifuge Lead Cascade Facility (Lead Cascade) and to request U.S. Nuclear Regulatory Commission (NRC) review and approval of the Release Criteria and Final Status Survey Design contained within section XIV of the DP. The decommissioning cost estimate contained in section XV of the DP serves as the update required by Condition 15 of the Lead Cascade NRC Materials License.

Background

On March 2, 2016 (Reference 2), American Centrifuge Operating, LLC (ACO) notified the NRC, in accordance with 10 *Code of Federal Regulations* (CFR) 70.38 (d)(2), of Centrus Energy Corp.'s decision to permanently cease operation at the Lead Cascade and to terminate the NRC Materials License (SNM-7003) following decontamination and decommissioning activities.

NM5501

Information transmitted herewith contains
~~Security-Related Information Withhold Under 10 CFR 2.390~~
~~Official Use Only, Export Controlled Information, and Proprietary Information~~
When separated from the Enclosures 4, 5, 6, and 7, this cover letter is uncontrolled.

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With NRC's concurrence, the dismantling and packaging of equipment and piping was performed within the authorizations of the NRC Materials License. Certain additional NRC approvals were required for the shipment of classified matter and/or contaminated waste to the permanent burial site. By letter dated December 20, 2016 (Reference 4) and supplemental information provided on February 23, 2017 (Reference 6), ACO submitted proposed changes to NR-3605-0010, *Transportation Security Plan for Classified Matter Shipments for the American Centrifuge Plan*, for NRC's review and approval. On May 25, 2017 (Reference 8), NRC approved these changes. On January 13, 2017 (Reference 5), ACO requested NRC approval of the permanent burial site to be used for the classified matter and/or contaminated waste. On June 13, 2017 (Reference 9), NRC approved the burial site. Except for completion of the Final Status Survey and security closeout, as of the date of this letter submitting the updated DP, all decommissioning activities for the Lead Cascade have been completed.

On July 21, 2016 (Reference 3), ACO notified the NRC of its intent to submit a DP to meet the commitment made within Chapter 10.0 of the License Application and recommended NRC suspend the review of ACO's decommissioning cost update submitted on February 12, 2016 (Reference 1). NRC agreed to suspend the cost estimate review until the DP was submitted. On March 1, 2017 (Reference 7), ACO submitted the DP.

On October 11, 2017 (Reference 10), NRC provided ACO with Requests for Supplemental Information (RSIs) on the March 1, 2017, DP submittal. On October 30, 2017, NRC met with ACO to discuss the RSIs. In this meeting ACO and NRC agreed that since the decommissioning activities at the Lead Cascade were already substantially complete, a revised DP reflecting the current decommissioning status and incorporating the information requested in the RSIs would facilitate NRC's timely review of the DP. On November 8, 2017 (Reference 11), ACO withdrew the Decommissioning Program Amendment Application submitted on March 1, 2017, with a commitment to submit an updated DP.

Discussion

Enclosure 1 provides the updated DP, DP-2605-0001, *Decommissioning Plan for the American Centrifuge Lead Cascade Facility*, (Revision 1). Enclosure 2 provides a cross-reference as to where the responses to the NRC's RSIs can be found within the DP. Enclosure 3 contains Appendix A of the DP, *Decommissioning Plan Cost Estimate*. Enclosure 4 contains Appendix B of the DP, *Decommissioning Plan Cost Estimate Withheld Tables*. Enclosure 5 provides Appendix C of the DP, *Decommissioning Plan Withheld Information*. Enclosure 6 provides Appendix D of the DP, *Decommissioning Schedule and Final Status Survey Proposed Survey Units*. Enclosure 7 provides ACO's in-depth calculations related to the annual labor by classification and staffing estimated in phased man-days.

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Enclosures 4 and 7 contain Proprietary Information and in accordance with the guidance provided by the DOE, contain Official Use Only information. Therefore, ACO requests that these enclosures 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 8 of this letter. Enclosure 5 contains Security-Related Information and in accordance with the guidance provided by the DOE, contains Official Use Only information and Export Controlled Information. Enclosure 6 contains Security-Related Information, Proprietary Information, and in accordance with the guidance provided by the DOE, contains Official Use Only information. ACO requests that the enclosures containing Security-Related Information be withheld from public disclosure pursuant to 10 CFR 2.390(d)(1). Additionally, ACO requests that the enclosures containing Export Controlled Information be protected from disclosure per the requirements of 10 CFR Part 810.

Action

ACO requests NRC approval of the Release Criteria and Final Status Survey Design contained within section XIV of the DP. ACO requests NRC review and approval of the Release Criteria and Final Status Survey Design as soon as practicable to allow ACO to complete the Final Status Survey and provide the Final Radiation Survey Report to the NRC for review and approval as soon as possible.

Contact

If you have any questions regarding this matter, please contact me at (301) 564-3250 or Kelly Wiehle, Regulatory Manager, at (740) 897-3859.

Sincerely,



Steven A. Toelle
Director, Regulatory Affairs

Enclosures: As Stated

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cc (without enclosures, unless otherwise noted):

Y. Faraz, NRC HQ (Enclosures)
K. Kline, NRC HQ
S. Koenick, NRC HQ
M. Learn, NRC Region III (Enclosures)
B. Linn, NRC Region III
J. Park, NRC HQ
L. Pitts, NRC Region II (Enclosures)
C. Roman-Cuevas, NRC HQ
A. Schwartzman, NRC HQ
J. Smith, NRC HQ (Enclosures)
M. Sykes, NRC Region II
J. Trefethen, NRC HQ

References:

1. Letter ACO 16-0008 from S.A. Toelle to S.W. Moore (NRC) regarding Submittal of Revision to the Decommissioning Program for the American Centrifuge Lead Cascade Facility, dated February 12, 2016
2. Letter ACO 16-0010 from S.A. Toelle to S.W. Moore (NRC) regarding Notification of Cessation of Principal Activities at the American Centrifuge Lead Cascade Facility, dated March 2, 2016
3. Letter ACO 16-0027 from S.A. Toelle to S.W. Moore (NRC) regarding Recommendation to Suspend Review of Submittal of Revision to the Decommissioning Program for the American Centrifuge Lead Cascade Facility, dated July 21, 2016
4. Letter ACO 16-0053 from S.A. Toelle to M.L. Dapas (NRC) regarding Proposed Changes for Review and Approval of Transportation Security Plan for the American Centrifuge Plant, dated December 20, 2016
5. Letter ACO 17-0008 from S.A. Toelle to M.L. Dapas (NRC) regarding Request Approval for Disposal of American Centrifuge Program Classified Waste to the U.S. Department of Energy Nevada National Security Site, dated January 13, 2017
6. Letter ACO 17-0014 from J.K. Corrado to M.L. Dapas (NRC) regarding Supplemental Changes for Review and Approval of Transportation Security Plan for the American Centrifuge Plant, dated February 23, 2017

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7. Letter ACO 17-0015 from J. K. Corrado to M. L. Dapas (NRC) regarding Submittal of Revision to the Decommissioning Program for the American Centrifuge Lead Cascade Facility, dated March 1, 2017
8. NRC letter from C.G. Erlanger to J.K. Corrado (ACO) regarding Approval of Changes To The Transportation Security Program for The American Centrifuge Plant (Cost Activity Code L34386), dated May 25, 2017
9. NRC letter from J. Zimmerman to J.K. Corrado (ACO) regarding Approval for Disposal of American Centrifuge Program Classified Waste at the U.S. Department of Energy Nevada National Security Site, dated June 13, 2017
10. NRC letter from J.I. Zimmerman to S.A. Toelle (ACO) regarding Acceptance Review of American Centrifuge Lead Cascade Facility Decommissioning Program Amendment Application – Supplemental and Additional Information Needed (Cost Activity Code: L34391), dated October 11, 2017
11. Letter ACO 17-0049 from S.A. Toelle to J.I. Zimmerman (NRC) regarding Withdrawal of Decommissioning Program Amendment Application for the American Centrifuge Lead Cascade Facility (ADAMS Accession Number ML17067A183), dated November 8, 2017

Enclosure 8 to ACO 18-0001

Affidavit

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

Reviewing
Official

:

ECI Reviewer #152

Date:

01/04/2018

**AFFIDAVIT OF STEVEN A. TOELLE
SUPPORTING APPLICATION TO WITHHOLD FROM
PUBLIC DISCLOSURE CERTAIN INFORMATION CONTAINED
IN ENCLOSURES 4 AND 7 OF ACO 18-0001 FOR THE
AMERICAN CENTRIFUGE LEAD CASCADE FACILITY**

I, Steven A. Toelle, of American Centrifuge Operating, LLC (ACO), having been duly sworn, do hereby affirm and state:

1. I have been authorized by ACO to (a) review the information owned by the ACO and is referenced herein relating to the worker unit cost and total labor costs as part of the decommissioning cost estimate for the American Centrifuge Lead Cascade Facility (Lead Cascade), which ACO 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 ACO.
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 ACO.
 - ii. The information is of a type customarily held in confidence by ACO and not customarily disclosed to the public. ACO 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 ACO 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 ACO's competitors without license from ACO constitutes a competitive economic advantage over other companies.
 - b) 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.
 - c) It reveals cost or price information, production capacities, budget levels, or commercial strategies of ACO, its customers or suppliers.
 - d) It reveals aspects of past, present, or future ACO or customer funded development plans and programs of potential commercial value to ACO.
 - e) It contains patentable ideas, for which patent protection may be desirable.
 - f) 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 ACO system which include the following:
- a) The use of such information by ACO gives ACO a competitive advantage over its competitors. It is, therefore, withheld from disclosure to protect the ACO competitive position.
 - b) Use by our competitors would put ACO at a competitive disadvantage by reducing their expenditure of resources at ACO expense.
 - c) 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 ACO of a competitive advantage.

- d) Unrestricted disclosure would jeopardize the position of prominence of ACO in the world market, and thereby give a market advantage to the competition of those countries.
 - e) The ACO 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 4 and 7 to ACO letter ACO 18-0001. Enclosure 4 contains ACO's decommissioning cost estimate information, specifically classified and/or contaminated waste quantities and volumes; decommissioning worker unit cost; and total labor costs captured within Appendix B of the Decommissioning Plan for the Lead Cascade. Enclosure 7 contains ACO's in-depth calculations related to the annual labor by classification and staffing estimated in phased man-days as used in the development of the Decommissioning Cost Estimate for the Lead Cascade. The information contained within Enclosures 4 and 7 have not been previously disclosed and are likely to cause substantial harm to ACO because it contains details of our labor rates which may provide insights into ACO's forward pricing rates.

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

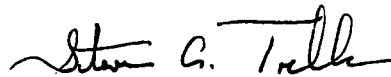
- Continue to decommission the Lead Cascade; and
- Ensure adequate funding is available for these decommissioning activities for the Lead Cascade.

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 analysis to develop the information which is sought to be withheld; and
- In order for a competitor of ACO 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.

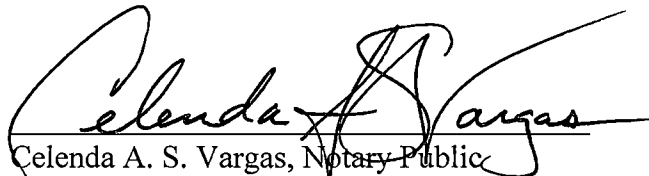
I, Steven A. Toelle, having been duly sworn, hereby confirms that I am the Director, Regulatory Affairs of ACO, that I am authorized on behalf of ACO to review the information attached hereto and to sign and file with the U.S. Nuclear Regulatory Commission this affidavit and the attachments hereto, and 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

On this 5th day of January 2018, Steven A. Toelle 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
State of Maryland, Montgomery County
My commission expires January 11, 2018

