



March 31, 2020
ACO 20-0009

ATTN: Document Control Desk
Ms. Sabrina D. Attack, Director
Division of Security Operations
Office of Nuclear Security and Incident Response
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555-0001

**American Centrifuge Lead Cascade Facility and American Centrifuge Plant
Docket Numbers 70-7003 and 70-7004
License Numbers SNM-7003 and SNM-2011**

License Amendment Request for American Centrifuge Operating, LLC's Security Plan(s)

**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 Ms. Attack:

The purpose of this letter is to submit a license amendment request to the U.S. Nuclear Regulatory Commission (NRC) for review and approval to support the re-establishment of American Centrifuge Operating, LLC's (ACO) possessing facility clearance in Piketon, Ohio.

On February 1, 2018 (Reference 1), the NRC provided the approval to terminate the ACO possessing facility security clearance and issued a non-possessing facility security clearance. However, on May 31, 2019, the U. S. Department of Energy (DOE) issued a letter contract to Centrus Energy Corp. to deploy a 16-machine AC100M high assay low-enriched uranium (HALEU) cascade in ACO leased areas at DOE's Portsmouth site in Piketon, Ohio. Lastly, on June 27, 2019 (Reference 2), ACO formally withdrew the request to terminate the American Centrifuge Lead Cascade Facility (Lead Cascade) NRC Materials License in order to design and construct the HALEU cascade under NRC oversight.

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The HALEU Demonstration Program commencement began on June 1, 2019. ACO is currently in the process of updating and amending the American Centrifuge Plant (ACP) NRC license for review and approval to allow HALEU production. Existing NRC-approved Lead Cascade programs currently in use will be transitioned and subsumed into the ACP license upon NRC's final license amendment request approval in the second half of 2021.

Enclosure 1 provides a detailed description, justification, and ACO's significance determination for the proposed new and changed documents as follows:

- Enclosure 2 provides a new document SP-3605-0041, *Security Plan for the Protection of Classified Matter*.
- Enclosure 3 provides a new document SP-3605-0018, *High Assay Low Enriched Uranium (HALEU) Cascade Engineering, Procurement, and Construction (EPC) Temporary Security Plan*.
- Enclosure 4 provides a new document SP-3605-0039, *American Centrifuge Classified Cyber System Security Plan (SSP)*.
- Enclosure 5 provides proposed changes to SEC-18-0002, *American Centrifuge Operating, LLC (ACO) Cyber System Security Plan (SSP)*.
- Enclosure 6 provides 331-06-161, *American Centrifuge Program – Operations Security Plan*. This document was previously submitted to the NRC for review by Reference 4; however, is being resubmitted in accordance with Section 1.22 of the attached new SP-3605-0041 for prior review and approval. Changes from the previously submitted document are noted with revision bars in the right-hand margin. Additionally, Mr. Richard Kielmar, the appointed Operations Security (OPSEC) Coordinator in Piketon, Ohio, has final approval authority for this plan and serves as the chair for the OPSEC Working Group.

Proposed changes were determined not to decrease the effectiveness of the Security Programs/Plans in accordance with 10 *Code of Federal Regulations* (CFR) 70.32; however, the new security plans were determined to be a substantive change in accordance with 10 CFR 95.19 and requires NRC's prior review and approval.

Enclosures 1 through 6 contain Security-Related Information and, in accordance with the guidance provided by the DOE, contain Official Use Only information. Therefore, ACO requests these enclosures be withheld from public disclosure pursuant to 10 CFR 2.390(d)(1). Additionally, Enclosures 2 and 3 have been determined, in accordance with the guidance provided by the DOE, to contain Export Controlled Information and must be protected from disclosure per the requirements of 10 CFR Part 810.

After the NRC staff has had an opportunity to review the enclosures, ACO is available to support a discussion with the NRC to address questions or clarify issues. Implementing documents are available at the site for inspection.

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ACO respectfully requests NRC complete their review and final approval on or before October 31, 2020 to support the ongoing schedule for the DOE's HALEU Demonstration Program and allow a revised Facility Data and Approval Record be provided for Facility Code 8759, American Centrifuge Operating, LLC, to formally change the Importance Rating to Possessing. Additionally, ACO respectfully requests Authorization To Operate the classified cyber systems as defined in SEC-18-0002 and SP-3605-0039 for the processing up to and including Secret-Restricted Data.

If you have any questions regarding this matter, please contact me at (740) 897-3859.

Sincerely,



Kelly L. Wiehle
Regulatory Manager

References:

1. NRC letter from D. Parsons (NRC) to S. Toelle (ACO) regarding Close-Out Review of American Centrifuge Operating, LLC's Possessing Facility Security Clearance and Change to Non-Possessing Facility Security Clearance, dated February 1, 2018
2. ACO 19-0008 from L. Cutlip to J. Lubinski (NRC) regarding Withdrawal of Request to Terminate the American Centrifuge Lead Cascade NRC Materials License, dated June 27, 2019
3. ACO 20-0004 from K. Wiehle to M. Bailey (NRC) regarding Security Facility Approval for Classified Work: Review of Security Program and Applicable Security Plans for American Centrifuge Operating, LLC's Technology and Manufacturing Center in Oak Ridge, Tennessee, dated February 6, 2020
4. ACO 19-0032 from K. Wiehle to M. Bailey (NRC) regarding Submittal of Operations Security Plan for the American Centrifuge Operating, LLC, dated December 19, 2019

cc (without enclosures, unless otherwise noted):

K. Everly, NRC HQ (Enclosures)
Y. Faraz, NRC HQ (Enclosures)
S. Harlow, DOE HQ
J. Hutson, DOE ORO (Enclosures)
N. Pitoniak, NRC Region II

L. Pitts, NRC Region II (Enclosures)
S. Rice, DOE, NE-ORSO (Enclosures)
K. Shears, DOE OR
E. St. Clair, DOE ORO
T. Vukovsky, NRC Region II

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