

ENERGY RESOURCES INTERNATIONAL, INC.

1015 18TH STREET, N.W., SUITE 650
WASHINGTON, D.C. 20036

TELEPHONE (202) 785-8833
FACSIMILE (202) 785-8834
EMAIL eri@energyresources.com

By Courier

May 27, 1999

Scott C. Flanders
Spent Fuel Project Office
U.S. Nuclear Regulatory Commission
11555 Rockville Pike
Mail Stop O-6 F18
Rockville, MD 20852-2738

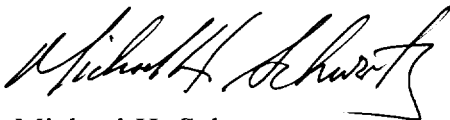
**Re: In the Matter of Private Fuel Storage, L.L.C.
Docket No. 72-22-ISFSI, 2.790 Affidavit**

Dear Mr. Flanders:

Enclosed please find my original signed affidavit pursuant to 10 C.F.R. § 2.790 in support of the transmittal by Private Fuel Storage L.L.C. ("PFS") of a proprietary cost study performed by Energy Resources International, Inc. ("ERI").

On December 18, 1998, PFS transmitted a copy of reference 1 from Chapter 7 of the Private Fuel Storage Facility ("PFSF") Environmental Report, an ERI cost study entitled "Utility At-Reactor Spent Fuel Storage Costs for the Private Fuel Storage Facility Cost-Benefit Analysis," dated December, 1997. Letter from P. Gaukler (ShawPittman) to M. Delligatti (NRC) Transmitting Proprietary ER References (Dec. 18, 1998). As transmitted by PFS, the ERI cost study was stamped prominently with the statement "PFS Confidential Information." PFS requested that the NRC withhold this document from public disclosure pursuant to 10 C.F.R. § 2.790. My enclosed affidavit provides ERI's reasons why the NRC should treat the ERI cost study as proprietary and should withhold it from disclosure pursuant to 10 C.F.R. § 2.790.

Sincerely,



Michael H. Schwartz

Enclosure

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May 27, 1999

**UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION**

In the Matter of)	
)	
PRIVATE FUEL STORAGE L.L.C.)	Docket No. 72-22 ISFSI
)	
(Private Fuel Storage Facility))	
)	

**Affidavit of Michael H. Schwartz
Pursuant to 10 C.F.R. § 2.790**

CITY OF WASHINGTON)	
)	
)	SS:
DISTRICT OF COLUMBIA)	

Michael H. Schwartz, being duly sworn, states as follows:

1. I am Chairman of the Board of Energy Resources International, Inc. ("ERI"), a corporation organized and existing under the laws of the District of Columbia with its principal office currently located in Washington, D.C. In that capacity, I am responsible for the operation and management of ERI.

2. On December 18, 1998, through its client Private Fuel Storage L.L.C. ("PFS"), ERI provided to the NRC staff a copy of a ERI cost study performed for PFS entitled "Utility At-Reactor Storage Costs for the Private Fuel Storage Facility Cost-Benefit Analysis," dated December, 1997. This ERI cost study is reference 1 in Chapter 7 of the Environmental Report for the Private Fuel Storage Facility ("PFSF").

3. Some of the information contained in the ERI cost study provided to the NRC staff is sensitive proprietary commercial information that could cause great harm to

ERI if it were made publicly available. Accordingly, ERI requests the NRC to withhold this sensitive information, developed and owned by ERI, from public disclosure pursuant to 10 CFR 2.790 of its regulations. This affidavit supplies the reasons why this information should be withheld from public disclosure as required by the regulation.

4. The ERI cost study, as submitted by PFS, is prominently stamped with the statement "PFS Confidential Information." This ERI document was provided to the NRC staff only pursuant to review of the PFSF license application and not for any other reason.

5. I am familiar with the sensitive commercial and financial information contained in the ERI cost study. I am authorized to speak to ERI's practice of maintaining such information proprietary and the harm that would befall ERI if it were publicly disclosed.

6. The ERI cost study contains sensitive proprietary information concerning the estimated cost to design, license, construct and operate spent fuel storage facilities. This proprietary commercial information has been developed by ERI at its own significant expense. The ERI cost study also contains sensitive proprietary information evaluating the economic benefits of the PFSF under different operating scenarios based on PFS sensitive proprietary information.

7. The sensitive, proprietary commercial information contained in the ERI cost study submitted to the NRC staff is information of the type customarily held in confidence by ERI, and this cost study is so held. ERI has provided this cost study to its client PFS under agreement that PFS hold ERI's cost study in confidence, and PFS has

done so. ERI does not disclose this type of information to the public and it is not available from public sources. The rational basis for not disclosing this type of information is that the information is commercially sensitive to the conduct of ERI's business, i.e., the provision of energy consulting analysis and services related to the nuclear power and spent fuel management, and its disclosure to competitors and customers could cause ERI substantial competitive harm. If the information contained in ERI cost study became available to ERI's competitors or customers (both current and potential), those parties would learn of sensitive commercial, cost and financial information which could be used in competition against ERI for customers or negotiation of contracts for consulting services. Such a result would place ERI at a significant competitive disadvantage in negotiations with potential clients, would provide potential competitors with competitively advantageous information, and would thereby cause ERI substantial commercial harm.

8. Accordingly, the ERI cost study was transmitted by ERI's client PFS to the Commission in confidence under the provisions of 10 C.F.R. § 2.790 with the understanding that they and the information they contain will be received and held in confidence by the Commission and withheld from public disclosure.


Michael H. Schwartz

Sworn to before me this 27th day of May 1999


Notary Public My commission expires March 14, 2003