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U.S. Nuclear Regulatory Commission  
ATTN: Document Control Desk  
Washington, DC 20555-0001

May 18, 2006

Reference: 1. USNRC Docket No. 72-1014 (HI-STORM 100), TAC No. L23850  
2. Holtec Project 5014  
3. Holtec Letter 5014587

Subject: Holtec Reports HI-2043317, Revision 3 and HI-2043168, Revision 2

Dear Sir:

We had previously (Reference 3) submitted copies of our proprietary calculation packages HI-2043317 (LAR 1014-3 HI-STORM Thermal-Hydraulic Analyses) and HI-2043168 (Thermal-Hydraulic Evaluation Of HI-STORM 100U) for use by the SFPO. These reports have been revised since it was last submitted. The latest revisions of these reports are attached. The reports were revised to document evaluation of the effects of the flow resistances calculated in Appendix C of Holtec Report HI-2043285, Revision 3, submitted as attachment to Holtec letter 5014596.

We request that these reports be withheld from public disclosure, because they contain Holtec International's intellectual property developed at considerable expense by the company. Public release of this material would allow this material to be used by others, resulting in commercial detriment to Holtec International. Accordingly, we have attached an affidavit pursuant to 10 CFR 2.390 to this letter. We note that previous revisions of these reports were withheld from public disclosure. The following attachments are provided:

Attachment 1: "LAR 1014-3 HI-STORM Thermal-Hydraulic Analyses", Holtec Report HI-2043317, Revision 3.

Principal Change: Appendix H added.

Attachment 2: "Thermal-Hydraulic Evaluation Of HI-STORM 100U", Holtec Report HI-2043168, Revision 2.

Principal Change: Appendix D added.

Attachment 3: Affidavit Pursuant to 10 CFR 2.390 – Affidavit requesting that Attachments 1 and 2 be withheld from public disclosure.

We appreciate the SFPO's attention to our amendment application.

Sincerely,

Stefan Anton, Dr. Ing.  
Licensing Manager, Holtec International

cc: Mr. Christopher Regan, NRC

Document ID: 5014598

Nm 5501

**AFFIDAVIT PURSUANT TO 10CFR2.390**

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I, Stefan Anton, being duly sworn, depose and state as follows:

- (1) I am the Holtec International Licensing Manager and have reviewed the information described in paragraph (2) which is sought to be withheld, and am authorized to apply for its withholding.
- (2) The information sought to be withheld is Attachment 1 and Attachment 2 to Holtec letter Document ID 5014598 containing calculations performed by Holtec International in support of LAR 1014-3 for our HI-STORM 100 System Certificate of Compliance (Docket 72-1014).

This information is considered proprietary to Holtec International as is appropriately annotated as such.

- (3) In making this application for withholding of proprietary information of which it is the owner, Holtec International relies upon the exemption from disclosure set forth in the Freedom of Information Act ("FOIA"), 5 USC Sec. 552(b)(4) and the Trade Secrets Act, 18 USC Sec. 1905, and NRC regulations 10CFR Part 9.17(a)(4), 2.390(a)(4), and 2.390(b)(1) for "trade secrets and commercial or financial information obtained from a person and privileged or confidential" (Exemption 4). The material for which exemption from disclosure is here sought is all "confidential commercial information", and some portions also qualify under the narrower definition of "trade secret", within the meanings assigned to those terms for purposes of FOIA Exemption 4 in, respectively, Critical Mass Energy Project v. Nuclear Regulatory Commission, 975F2d871 (DC Cir. 1992), and Public Citizen Health Research Group v. FDA, 704F2d1280 (DC Cir. 1983).

**AFFIDAVIT PURSUANT TO 10CFR2.390**

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- (4) Some examples of categories of information which fit into the definition of proprietary information are:
- a. Information that discloses a process, method, or apparatus, including supporting data and analyses, where prevention of its use by Holtec's competitors without license from Holtec International constitutes a competitive economic advantage over other companies;
  - b. Information which, if used by a competitor, would reduce his expenditure of resources or improve his competitive position in the design, manufacture, shipment, installation, assurance of quality, or licensing of a similar product.
  - c. Information which reveals cost or price information, production, capacities, budget levels, or commercial strategies of Holtec International, its customers, or its suppliers;
  - d. Information which reveals aspects of past, present, or future Holtec International customer-funded development plans and programs of potential commercial value to Holtec International;
  - e. Information which discloses patentable subject matter for which it may be desirable to obtain patent protection.

The information sought to be withheld is considered to be proprietary for the reasons set forth in paragraphs 4.a and 4.b, above.

- (5) The information sought to be withheld is being submitted to the NRC in confidence. The information (including that compiled from many sources) is of a sort customarily held in confidence by Holtec International, and is in fact so held. The information sought to be withheld has, to the best of my knowledge and belief, consistently been held in confidence by Holtec International. No public disclosure has been made, and it is not available in public sources. All disclosures to third parties, including any required transmittals to the NRC, have

**AFFIDAVIT PURSUANT TO 10CFR2.390**

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been made, or must be made, pursuant to regulatory provisions or proprietary agreements which provide for maintenance of the information in confidence. Its initial designation as proprietary information, and the subsequent steps taken to prevent its unauthorized disclosure, are as set forth in paragraphs (6) and (7) following.

- (6) Initial approval of proprietary treatment of a document is made by the manager of the originating component, the person most likely to be acquainted with the value and sensitivity of the information in relation to industry knowledge. Access to such documents within Holtec International is limited on a "need to know" basis.
- (7) The procedure for approval of external release of such a document typically requires review by the staff manager, project manager, principal scientist or other equivalent authority, by the manager of the cognizant marketing function (or his designee), and by the Legal Operation, for technical content, competitive effect, and determination of the accuracy of the proprietary designation. Disclosures outside Holtec International are limited to regulatory bodies, customers, and potential customers, and their agents, suppliers, and licensees, and others with a legitimate need for the information, and then only in accordance with appropriate regulatory provisions or proprietary agreements.
- (8) The information classified as proprietary was developed and compiled by Holtec International at a significant cost to Holtec International. This information is classified as proprietary because it contains detailed descriptions of analytical approaches and methodologies not available elsewhere. This information would provide other parties, including competitors, with information from Holtec International's technical database and the results of evaluations performed by Holtec International. A substantial effort has been expended by Holtec International to develop this information. Release of this information would improve a competitor's position because it would enable Holtec's competitor to copy our technology and offer it for sale in competition with our company, causing us financial injury.

**AFFIDAVIT PURSUANT TO 10CFR2.390**

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- (9) Public disclosure of the information sought to be withheld is likely to cause substantial harm to Holtec International's competitive position and foreclose or reduce the availability of profit-making opportunities. The information is part of Holtec International's comprehensive spent fuel storage technology base, and its commercial value extends beyond the original development cost. The value of the technology base goes beyond the extensive physical database and analytical methodology, and includes development of the expertise to determine and apply the appropriate evaluation process.

The research, development, engineering, and analytical costs comprise a substantial investment of time and money by Holtec International.

The precise value of the expertise to devise an evaluation process and apply the correct analytical methodology is difficult to quantify, but it clearly is substantial.

Holtec International's competitive advantage will be lost if its competitors are able to use the results of the Holtec International experience to normalize or verify their own process or if they are able to claim an equivalent understanding by demonstrating that they can arrive at the same or similar conclusions.

The value of this information to Holtec International would be lost if the information were disclosed to the public. Making such information available to competitors without their having been required to undertake a similar expenditure of resources would unfairly provide competitors with a windfall, and deprive Holtec International of the opportunity to exercise its competitive advantage to seek an adequate return on its large investment in developing these very valuable analytical tools.

**AFFIDAVIT PURSUANT TO 10CFR2.390**

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STATE OF NEW JERSEY     )  
  )     ss:  
COUNTY OF BURLINGTON )

Mr. Stefan Anton, being duly sworn, deposes and says:

That he has read the foregoing affidavit and the matters stated therein are true and correct to the best of his knowledge, information, and belief.

Executed at Marlton, New Jersey, this 18th day of May, 2006.



Stefan Anton  
Holtec International

Subscribed and sworn before me this 18<sup>th</sup> day of May, 2006.



MARIA C. MASSI  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires April 25, 2010