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December 18, 2009

USNRC Document Control Desk  
ATTN: Director, Spent Fuel Storage and Transportation Office  
Office of Nuclear Material Safety and Safeguards  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001

Subject: Response to Request for Supplemental Information on the HI-STORM FW MPC Storage System

Reference: [1] Holtec Letter 5018004, dated September 18, 2009  
[2] NRC Letter (Goshen) to Holtec (Morin), dated December 1, 2009  
[3] USNRC Docket 72-1032  
[4] USNRC TAC No. L24321

Dear Mr. Goshen:

On September 18, 2009 Holtec submitted the license application for HI-STORM FW MPC storage System [1]. In the NRC letter documenting the results of the acceptance review [2] the NRC noted that Chapter 3 of the Safety Analysis Report did not provide technical information in sufficient detail to enable the NRC to complete its detailed review. The letter also noted that with the exception of Chapter 3, the Safety Analysis Report does appear to be complete to the point of commencing its detailed technical review.

Attachment 1 to this letter transmits the enhanced Chapter 3 as Supplement A to Revision 0 of the proposed Safety Analysis Report on the HI-STORM FW System (Report HI-2084239). All of the additions made to this chapter are considered Holtec Proprietary Information. The enhancements to Chapter 3 include an additional reference to Holtec's proprietary position paper DS-307. This supporting document was previously submitted under USNRC Docket No. 71-

NW 5524



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9325; however, for completeness and for inclusion under USNRC Docket No. 72-1032, it is resubmitted with this letter as Attachment 2. An affidavit pursuant to 10 CFR 2.390 (Attachment 3) is attached to this letter requesting the withholding of both Attachments 1 and 2 from public disclosure.

If you have any questions please feel free to contact me at 856-797-0900 x687.

Sincerely,

*Luis Hingora* for Tammy Morin

Tammy S. Morin, Licensing Manager  
Holtec Technical Services, Holtec International

cc: Mr. Eric Benner, USNRC  
Mr. John Goshen, USNRC  
Holtec Group 1 (via email)  
Holtec Users Group (via email)

List of Attachments:

- Attachment 1: Chapter 3 (Supplement A to Revision 0) of Proposed SAR (Holtec Report No. HI-2084239 (Proprietary)
- Attachment 2: Holtec Dry Storage Position Paper DS-307, Revision 2, "Construction of True-Stress-True-Strain Curve for LS-DYNA Simulations" (Proprietary)
- Attachment 3: Affidavit Pursuant to 10CFR2.390 to Withhold Information from Public Disclosure (Non-Proprietary)

**AFFIDAVIT PURSUANT TO 10 CFR 2.390**

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I, Tammy S. Morin, being duly sworn, depose and state as follows:

- (1) I 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 provided in Attachments 1 and 2 to Holtec letter Document ID 5018007, which contain Holtec Proprietary information.
- (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).

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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, 4.b, and 4.e 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

**AFFIDAVIT PURSUANT TO 10 CFR 2.390**

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disclosures to third parties, including any required transmittals to the NRC, have 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.

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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.

U.S. Nuclear Regulatory Commission  
ATTN: Document Control Desk  
Document ID 5018007  
Non-Proprietary Attachment 3

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

Ms. Tammy S. Morin, being duly sworn, deposes and says:

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

Executed at Marlton, New Jersey, this 10<sup>th</sup> day of December, 2009.



Tammy S. Morin  
Holtec International

Subscribed and sworn before me this 10<sup>th</sup> day of December, 2009.



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