



Shirley Xu  
U.S. Nuclear Regulatory Commission  
Office of NMSS  
Mail Stop: T8E18  
Washington, D.C. 20555-0001

Morgan Advanced Materials  
**Technical Ceramics**  
232 Forbes Road  
Bedford, Ohio, 44146  
United States

T 440 232 8600 ext. 361  
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Date: September 21, 2015

Dear Shirley,

Attached is the affidavit pursuant to 10 CFR 2.390 to withhold information in our NRC Distribution License application from public disclosure.

If you have any questions or require any additional information, please contact me at my cell (440) 292-7012.

Sincerely,

A handwritten signature in dark ink, appearing to read 'William J. Hovevar', written in a cursive style.

William J. Hovevar, P.E., Facility Manager  
Morgan Advanced Materials

Enclosure:

[www.morganadvancedmaterials.com](http://www.morganadvancedmaterials.com)

Morgan Advanced Ceramics Inc., 232 Forbes Road, Bedford, Ohio, 44146

Morgan Advanced Materials Technical Ceramics is registered with SAI Global, ISO 9001 & ISO 14001 | FN 007017

## AFFIDAVIT PURSUANT TO 10 CFR 2.390

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I, William J. Hovevar, being duly authorized, 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 withholding.
- (2) The information sought to be withheld is information provided in Enclosures QP-0909 and MAGAM M-77 with the application for NRC Distribution License. These Enclosures contain Morgan Advanced Ceramics, Inc.' Proprietary information.
- (3) In making this application for withholding of proprietary information of which it is the owner, Morgan Advanced Ceramics, Inc. 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 10 CFR 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".
- (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 Morgan Advanced Ceramics, Inc.' competitors without license from Morgan Advanced Ceramics, Inc. 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 Morgan Advanced Ceramics, Inc., its customers, or its suppliers.

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 Morgan Advanced Ceramics, Inc. and 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 Morgan Advanced Ceramics, Inc. No public disclosure has been



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made, and it is not available in public sources. All 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 regular 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 Morgan Advanced Ceramics, Inc. 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 Morgan Advanced Ceramics, Inc. are limited to regulatory bodies, customers, and potential customers, and their agents, suppliers, licensees, and others with a legitimate need for the information, and then only in accordance with appropriate regulatory provisions or proprietary agreements.
- (8) This information classified as proprietary was developed and compiled by Morgan Advanced Ceramics, Inc. at a significant cost to Morgan Advanced Ceramics, Inc. 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 Morgan Advanced Ceramics, Inc. technical database and the results of evaluations performed by Morgan Advanced Ceramics, Inc. A substantial effort has been expended by Morgan Advanced Ceramics, Inc. to develop this information. Release of this information would improve a competitor's position because it would enable Morgan Advanced Ceramics, Inc. competitor to copy our technology and offer it for sale in competition with our company causing us financial injury.
- (9) Public disclosure of the information sought to be withheld is likely to cause substantial harm to Morgan Advanced Ceramics, Inc.' competitive position and foreclose or reduce the availability of profit-making opportunities. 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. Morgan Advanced Ceramics, Inc.' competitive

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advantage will be lost if its competitors are able to use the results of the Morgan Advanced Ceramics, Inc. 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 Morgan Advanced Ceramics, Inc. 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 Morgan Advanced Ceramics, Inc. of the opportunity to exercise its competitive advantage to seek adequate return on its large investment in developing these very valuable analytical tools.

STATE OF OHIO                    )  
  )   SS:  
COUNTY OF CUYAHOGA )

William J. Hocevar, being duly authorized, 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 Bedford, Ohio, this 21<sup>st</sup> day of September, 2015.



William J. Hocevar, RSO, P.E., Facility Manager  
Morgan Advanced Ceramics, Inc.

Subscribed and sworn before me this 21<sup>st</sup> day of September, 2015.



ROBERT L. CROWE  
Resident Summit County  
Notary Public, State of Ohio  
My Commission Expires 4/13/20