

UNITED STATES OF AMERICA

NUCLEAR REGULATORY COMMISSION

In the Matter of)

PHILADELPHIA ELECTRIC)

Limerick Generating Station)
Units 1 and 2)

Docket Nos. 50-352
50-353

AFFIDAVIT OF JOSEPH F. QUIRK

I, Joseph F. Quirk, being duly sworn, depose and state as follows:

1. I am Manager - BWR Systems Licensing, Nuclear Energy Business Operation, General Electric Company ("GE"). I have held this position since November, 1981. I have been delegated the responsibility to review the document described in Paragraph 2 to determine whether it contains proprietary information.
2. I am familiar with the following document:

"Quantification of the Limerick PRA Event Tree Functions",
Revision 1, dated 7/23/82 (hereinafter "Analyses"), which was
prepared in support of the "Probabilistic Risk Assessment,
Limerick Generating Station", dated March, 1981.

3. In designating material as proprietary, General Electric utilizes the definition of proprietary information and trade secrets set forth in the American Law Institute's Restatement of Torts, Section 757. This definition provides:

"A trade secret may consist of any formula, pattern, device or compilation of information which is used in one's business and which gives him an opportunity to obtain an advantage over competitors who do not know or use it A substantial element of secrecy must exist, so that, except by the use of improper means, there would be difficulty in acquiring information Some factors to be considered in determining whether given information is one's trade secret are: (1) the extent to which the information is known outside of his business; (2) the extent to which it is known by employees and others involved in his business; (3) the extent of measures taken by him to guard the secrecy of the information; (4) the value of the information to him and to his competitors; (5) the amount of effort or money expended by him in developing the information; (6) the ease or difficulty with which the information could be properly acquired or duplicated by others."

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 where prevention of its use by General Electric competitors without license from General Electric constitutes a competitive economic advantage over other companies;
- b. Information consisting of supporting data and analyses, including test data, relative to a process, method or apparatus, the application of which provide a competitive economic advantage; e.g., by optimization or improved marketability;

- c. 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;
 - d. Information which reveals cost or price information, production capacities, budget levels or commercial strategies of General Electric, its customers or suppliers;
 - e. Information which reveals aspects of past, present or future General Electric customer-funded development plans and programs of potential commercial value to General Electric;
 - f. Information which discloses patentable subject matter for which it may be desirable to obtain patent protection;
 - g. Information which General Electric must treat as proprietary according to agreements with other parties.
5. a. GE has customarily held and continues to hold the "Analyses" proprietary. Within the Company, these "Analyses" are provided to employees only on a need-to-know basis. Dissemination is restricted and distribution of the material is controlled.

- b. GE also maintains confidential treatment of the "Analyses" by its customers and contractors through explicit understandings and contract provisions.
 - c. The "Analyses" are labeled "GENERAL ELECTRIC COMPANY PROPRIETARY INFORMATION".
 - d. All customers and contractors in possession of the "Analyses" have, to the best of my knowledge, treated the "Analyses" in a proprietary fashion.
6. The "Analyses" have never been made available to public sources and are not available to public sources.
7. GE will suffer significant competitive harm if the "Analyses" were to be released. GE has expended many thousands of dollars to produce the "Analyses". This includes the cost of computers, engineers and analysts that were used to create the analytical structure and assumptions. A competitor would obtain a significant advantage in the marketplace if he has access to this information. Not only would he not have to expend the time, energy and resources required to develop the "Analyses", but he could represent that the "Analyses" were the product of GE engineering, thus riding on GE's substantial reputation in the marketplace, and still sell the

"Analyses" at lower prices than GE was charging, because GE must recover the cost of development. In addition, GE has many competitors in the business of producing and marketing Probabilistic Risk Assessments (PRA's) which are based on the "Analyses"; thus, any information which is obtained at low cost can be directly translated into an immediate advantage in the marketplace, which, since there are so many competitors, is sensitive to cost.

8. The production of PRA's is an extremely competitive business. The Nuclear Regulatory Commission has required many utilities possessing nuclear plants to produce PRA's and it is expected that all plants will be expected to perform a PRA in the near future.
9. The "Analyses" are valuable to competitors in other ways besides competing with GE for the PRA market. These "Analyses" provide a competitor with a better understanding of all parts of a GE-built nuclear facility. Since many of these competitors compete with GE in providing many different kinds of services to nuclear facilities, this information could be used to enhance their competitive position in other marketplaces.
10. I have evaluated the item in Paragraph 2 in accordance with the criteria stated in Paragraphs 3 and 4 above and found it to be information which is proprietary and which is customarily held in confidence by General Electric.

Joseph F. Quirk, 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.

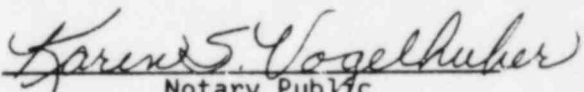
Executed at San Jose, California, this 15th day of August, 1982.



Joseph F. Quirk
General Electric Company

STATE OF CALIFORNIA
County of Santa Clara

Subscribed and sworn to before me this 16th day of August, 1982.



Notary Public

RB:hjr/C08119
8/11/82

