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January 13, 1981

United States Nuclear Regulatory Commission
Office of Inspection and Enforcement
Attn: Boyce H. Grier, Regional Director
Region I
631 Park Avenue
King of Prussia, Pennsylvania 19406

Reference: Beaver Valley Power Station, Unit No. 1
Docket No. 50-334, License No. DPR-66
IE Bulletin 79-01B



Dear Mr. Grier:

An updated report for IE Bulletin 79-01B was recently submitted by Duquesne Light Company for Beaver Valley #1 (C. N. Dunn letter dated December 31, 1980). Since this report contains information proprietary to Westinghouse Electric Corporation, a non-proprietary copy of the report was also provided for public disclosure.

The December 31, 1980 submittal is a complete report and supersedes our previous IE Bulletin 79-01B submittals dated September 30, 1980 and October 30, 1980. These previous submittals also include proprietary information subject to Section 2.790, Title 10, Code of Federal Regulations, and are, therefore, also exempt from public disclosure. The September 30, 1980 submittal did contain a request for withholding from public disclosure as well as an affidavit signed by Westinghouse, owners of the information. However, non-proprietary versions of the report were not prepared for these submittals.

For the following reasons, we respectfully request that our September 30, 1980 and October 30, 1980 submittals for IE Bulletin 79-01B be withheld from public disclosure:

1. Both submittals contain information proprietary to Westinghouse Electric Corporation as supported by the attached affidavit signed by Westinghouse, owners of the information. The affidavit sets forth the basis on which the information may be withheld from public disclosure by the Commission and addresses with specificity the considerations listed in paragraph (b)(4) of Section 2.790, Title 10, Code of Federal Regulations.

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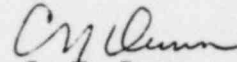
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2. The non-proprietary information contained in them is included in the December 31, 1980 submittal. A non-proprietary copy of that report has been provided for public disclosure.

Correspondence with respect to the proprietary aspects of this application for withholding or the supporting Westinghouse affidavit should reference CAW-80-31, and should be addressed to R. A. Wieseman, Manager, Regulatory and Legislative Affairs, Westinghouse Electric Corporation, P.O. Box 355, Pittsburgh, Pennsylvania 15230.

If you have any questions, please contact my office.

Very truly yours,



C. N. Dunn
Vice President, Operations

Attachment

cc: Mr. D. A. Beckman, Resident Inspector
U.S. Nuclear Regulatory Commission
Beaver Valley Power Station
Shippingport, PA 15077

U.S. Nuclear Regulatory Commission
c/o Document Management Branch
Washington, DC 20555

U.S. Nuclear Regulatory Commission
Office of Inspection and Enforcement
Division of Reactor Inspections Operation
Washington, DC 20555

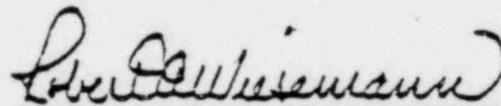
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COMMONWEALTH OF PENNSYLVANIA:

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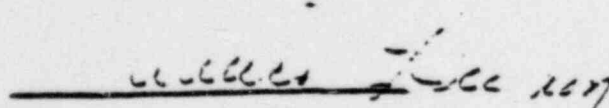
COUNTY OF ALLEGHENY:

Before me, the undersigned authority, personally appeared Robert A. Wiesemann, who, being by me duly sworn according to law, deposes and says that he is authorized to execute this Affidavit on behalf of Westinghouse Electric Corporation ("Westinghouse") and that the averments of fact set forth in this Affidavit are true and correct to the best of his knowledge, information, and belief:



Robert A. Wiesemann, Manager
Regulatory and Legislative Affairs

Sworn to and subscribed
before me this 11 day
of June 1980.


Notary Public

- (1) I am Manager, Regulatory and Legislative Affairs, in the Nuclear Technology Division, of Westinghouse Electric Corporation and as such, I have been specifically delegated the function of reviewing the proprietary information sought to be withheld from public disclosure in connection with nuclear power plant licensing or rule-making proceedings, and am authorized to apply for its withholding on behalf of the Westinghouse Water Reactor Divisions.
- (2) I am making this Affidavit in conformance with the provisions of IOCFR Section 2.790 of the Commission's regulations and in conjunction with the Westinghouse application for withholding accompanying this Affidavit.
- (3) I have personal knowledge of the criteria and procedures utilized by Westinghouse Nuclear Energy Systems in designating information as a trade secret, privileged or as confidential commercial or financial information.
- (4) Pursuant to the provisions of paragraph (b)(4) of Section 2.790 of the Commission's regulations, the following is furnished for consideration by the Commission in determining whether the information sought to be withheld from public disclosure should be withheld.
 - (i) The information sought to be withheld from public disclosure is owned and has been held in confidence by Westinghouse.

- (ii) The information is of a type customarily held in confidence by Westinghouse and not customarily disclosed to the public. Westinghouse has a rational basis for determining the types of information customarily held in confidence by it and, in that connection, utilizes a system to determine when and whether to hold certain types of information in confidence. The application of that system and the substance of that system constitutes Westinghouse policy and provides the rational basis required.

Under that system, information is held in confidence if it falls in one or more of several types, the release of which might result in the loss of an existing or potential competitive advantage, as follows:

- (a) The information reveals the distinguishing aspects of a process (or component, structure, tool, method, etc.) where prevention of its use by any of Westinghouse's competitors without license from Westinghouse constitutes a competitive economic advantage over other companies.
- (b) It consists of supporting data, including test data, relative to a process (or component, structure, tool, method, etc.), the application of which data secures a competitive economic advantage, e.g., by optimization or improved marketability.

- (c) Its use 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 a similar product.
- (d) It reveals cost or price information, production capacities, budget levels, or commercial strategies of Westinghouse, its customers or suppliers.
- (e) It reveals aspects of past, present, or future Westinghouse or customer funded development plans and programs of potential commercial value to Westinghouse.
- (f) It contains patentable ideas, for which patent protection may be desirable.
- (g) It is not the property of Westinghouse, but must be treated as proprietary by Westinghouse according to agreements with the owner.

There are sound policy reasons behind the Westinghouse system which include the following:

- (a) The use of such information by Westinghouse gives Westinghouse a competitive advantage over its competitors. It is, therefore, withheld from disclosure to protect the Westinghouse competitive position.

- (b) It is information which is marketable in many ways. The extent to which such information is available to competitors diminishes the Westinghouse ability to sell products and services involving the use of the information.
- (c) Use by our competitor would put Westinghouse at a competitive disadvantage by reducing his expenditure of resources at our expense.
- (d) Each component of proprietary information pertinent to a particular competitive advantage is potentially as valuable as the total competitive advantage. If competitors acquire components of proprietary information, any one component may be the key to the entire puzzle, thereby depriving Westinghouse of a competitive advantage.
- (e) Unrestricted disclosure would jeopardize the position of prominence of Westinghouse in the world market, and thereby give a market advantage to the competition in those countries.
- (f) The Westinghouse capacity to invest corporate assets in research and development depends upon the success in obtaining and maintaining a competitive advantage.

- (iii) The information is being transmitted to the Commission in confidence and, under the provisions of 10CFR Section 2.790, it is to be received in confidence by the Commission.
- (iv) The information sought to be protected is not available in public sources to the best of our knowledge and belief.
- (v) The proprietary information sought to be withheld in this submittal is appropriately marked information provided to Westinghouse utility customers in WCAP-9745 entitled "Results of Westinghouse Review of Environmental Qualification References for WRD Supplied Category II Equipment with Respect to the Staff Positions in NUREG-0588" for their use in responding to the NRC request to review their qualification programs against the standards established in NUREG-0588.

This information enables Westinghouse to:

- (a) Develop test inputs and procedures to satisfactorily verify the design of Westinghouse supplied equipment.
- (b) Assist its customers to obtain licenses.

Further, the information has substantial commercial value as follows:

- (a) Westinghouse can sell the use of this information to customers.

- (b) Westinghouse uses the information to verify the design of equipment which is sold to customers.
- (c) Westinghouse can sell testing services based upon the experience gained and the test equipment and methods developed.

Public disclosure of this information is likely to cause substantial harm to the competitive position of Westinghouse because it would enhance the ability of competitors to design, manufacture, verify, and sell electrical equipment for commercial power reactors without commensurate expenses. Also, public disclosure of the information would enable others having the same or similar equipment to use the information to meet NRC requirements for licensing documentation without purchasing the right to use the information.

The development of the equipment described in part by the information is the result of many years of development by Westinghouse and the expenditure of a considerable sum of money.

This could only be duplicated by a competitor if he were to invest similar sums of money and provided he had the appropriate talent available and could somehow obtain the requisite experience.

Further the deponent sayeth not.