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July 6, 1990

Dr. Thomas Murley, Director  
Office of Nuclear Reactor Regulation  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

APPLICATION FOR WITHHOLDING PROPRIETARY  
INFORMATION FROM PUBLIC DISCLOSURE

Subject: "Heat Loss to the Ambient from Spent Fuel Pool: Correlation of Theory with  
Experiments", report HI-90477

Dear Dr. Murley:

The proprietary information for which withholding is being requested by GPU Nuclear is further identified in an affidavit signed by the Owner of the proprietary information, Holtec International. The affidavit, which accompanies this letter, 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 10CFR Section 2.790 of the Commission's regulations.

Accordingly, this letter authorizes the utilization of the accompanying affidavit by GPU Nuclear.

Correspondence with respect to the proprietary aspects of the application for withholding or the Holtec International affidavit should reference this letter and should be addressed to the undersigned.

Very truly yours,

K.P. Singh  
President  
Enclosure: Affidavit

AFFIDAVIT

STATE OF NEW JERSEY

SS

COUNTY OF CAMDEN

Before me, the undersigned authority, personally appeared Krishna P. Singh, who, being by me duly sworn according to law, depose and says that he is authorized to execute this Affidavit on behalf of Holtec International ("Holtec") and that the averments of fact set forth in this Affidavit are true and correct to the best of his knowledge, information and belief:

K. P. Singh  
Krishna P. Singh  
President

Sworn to and subscribed before me  
this 6th day  
of July 1991

Martha J. Singh  
Notary Public

MARTHA J. SINGH  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires May 14, 1992

- (1) I am President of Holtec International 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 Holtec International.
- (2) I am making this Affidavit in conformance with the provisions of 10CFR Section 2.790 of the Commission's regulations and in conjunction with the Holtec application for withholding accompanying this Affidavit.
- (3) I have personal knowledge of the criteria and procedures utilized by Holtec 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 Holtec.
  - (ii) The information is of a type customarily held in confidence by Holtec and not customarily disclosed to the public. Holtec 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 Holtec 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 Holtec's competitors without license from Holtec 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 Holtec, its customers or suppliers.
- (e) It reveals aspects of past, present, or future Holtec or customer funded development plans and programs of potential commercial value to Holtec.
- (f) It contains patentable ideas, for which patent protection may be desirable.
- (g) It is not the property of Holtec, but must be treated as proprietary by Holtec according to agreements with the Owner.

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

- (a) The use of such information by Holtec gives Holtec a competitive advantage over its competitors. It is, therefore, withheld from disclosure to protect the Holtec competitive position.
- (b) It is information which is marketable in many ways. The extent to which such information is available to competitors diminishes the Holtec ability to sell products and services involving the use of the information.
- (c) Use by our competitor would put Holtec 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 Holtec of a competitive advantage.
- (e) Unrestricted disclosure would jeopardize the position of prominence of Holtec in the world market, and thereby give a market advantage to the competition in those countries.

- (f) The Holtec 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 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 enables Holtec to:
  - (a) Justify the Holtec design.
  - (b) Assist its customers to obtain licenses.
  - (c) Meet warranties.
  - (d) Provide greater operational flexibility to customers assuring them of safe and reliable operation.
  - (e) Justify increased power capability or operating margin for plants while assuring safe and reliable operation.

Further, the information gained from the improved thermal design procedure is of significant commercial value as follows:

- (a) Holtec uses the information to perform and justify analyses which are sold to customers.
- (b) Holtec sells analysis services based on the experience gained and the methods developed.

Public disclosure of this information concerning design procedures is likely to cause substantial harm to the competitive position of Holtec because competitors could utilize this information to assess and justify their own designs without commensurate expense.

The parametric analyses performed and their evaluation represent a considerable amount of highly qualified development effort. This work was contingent upon a design method development program which has been underway during the past two years. Altogether, a substantial amount of money and effort has been expended by Holtec which could only be duplicated by a competitor if he were to invest similar sums of money and provided he had the appropriate talent available.

Further the deponent sayeth not.