



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

December 11, 1996

Mr. David F. Pilmer, Chairman
Combustion Engineering Owners Group
Southern California Edison
Irvine Operations Center
Room 109C
23 Parker Street
Irvine, California 92718

SUBJECT: REQUEST FOR WITHHOLDING INFORMATION FROM PUBLIC DISCLOSURE FOR
COMBUSTION ENGINEERING OWNERS GROUP LETTERS OF AUGUST 5, AND
OCTOBER 17, 1996

Dear Mr. Pilmer:

Your letters of August 5, and October 17, 1996, forwarded Revisions 1 and 2 of CE NPSD-1049-P, "Potential for Delayed CEA Insertion Times at C-E Designed Plants," respectively. In the letters, you stated that certain designated information in the report was considered proprietary information consisting of trade secrets, privileged or confidential commercial or financial information. You requested that this information be withheld from public disclosure pursuant to 10 CFR 2.790. You also stated that the only difference between Revisions 1 and 2 of the report is the explicit delineation of the proprietary material by the inclusion of brackets around such information in Revision 2.

You also provided affidavits with your letters, dated July 29, and October 17, 1996, executed by Mr. Ian Rickard, Director, Operations Licensing for ABB-Combustion Engineering. The affidavits stated, and Revision 2 of the report identified, that the report contained designated information owned and held in confidence by Combustion Engineering which should be considered exempt from mandatory public disclosure for the following reasons:

- a. A similar product is manufactured and sold by major pressurized water reactor competitors of Combustion Engineering.
- b. Development of this information by Combustion Engineering required tens of thousands of dollars and hundreds of manhours of effort. A competitor would have to undergo similar expense in generating equivalent information.
- c. In order to acquire such information, a competitor would also require considerable time and inconvenience to development information regarding the Combustion Engineering control element assembly design and the collection and evaluation of utility-specific performance data.
- d. The information consists of Combustion Engineering control element assembly design and evaluation of utility-specific performance data, the application of which provides a competitive economic advantage. The availability of such information to competitors would enable them to modify their product to better compete with Combustion Engineering, take

December 11, 1996

marketing or other actions to improve their product's position or impair the position of Combustion Engineering's product, and avoid developing similar data and analyses in support of their processes, methods or apparatus.

- e. In pricing Combustion Engineering's products and services, significant research, development, engineering, analytical, manufacturing, licensing, quality assurance and other costs and expenses must be included. The ability of Combustion Engineering's competitors to utilize such information without similar expenditure of resources may enable them to sell at prices reflecting significantly lower costs.
- f. Use of the information by competitors in the international marketplace would increase their ability to market nuclear steam supply systems by reducing the costs associated with their technology development. In addition, disclosure would have an adverse economic impact on Combustion Engineering's potential for obtaining or maintaining foreign licensees.

We have reviewed your submittal and the material in accordance with the requirements of 10 CFR 2.790 and, on the basis of Combustion Engineering's statements, have determined that the submitted information sought to be withheld does contain trade secrets or proprietary commercial information.

Therefore, we have determined that the reports (Attachment 1 of the letters), which are marked as proprietary, will be withheld from public disclosure pursuant to 10 CFR 2.790(b)(5) and Section 103(b) of the Atomic Energy Act of 1954, as amended.

Withholding from public inspection shall not affect the right, if any, of persons properly and directly concerned to inspect the documents. If the need arises, we may send copies of this information to our consultants working in this area. We will, of course, ensure that the consultants have signed the appropriate agreements for handling proprietary information.

If the basis for withholding this information from public disclosure should change in the future such that the information could then be made available for public inspection, you should promptly notify the Nuclear Regulatory Commission (NRC). You should also understand that NRC may have cause to review this determination in the future if, for example, the scope of a

December 11, 1996

Freedom of Information Act request included your information. In all review situations, if the NRC needs additional information from you or makes a determination adverse to the above, you will be notified in advance of any public disclosure.

Sincerely,

original signed by:

Stewart L. Magruder, Project Manager
Generic Issues and Environmental
Projects Branch
Division of Reactor Program Management
Office of Nuclear Reactor Regulation

Project No. 692

cc: See next page

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CE OWNERS GROUP

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