

November 2, 2020

U.S. Nuclear Regulatory Commission
11555 Rockville Pike
Rockville, MD 20852-2738

Attn: Document Control Desk

Subject: Submission of Supplemental Information to NAC's Pre-Decisional Enforcement Conference

Docket No. 72-1031

References: 1. NRC Letter, "U.S. Nuclear Regulatory Commission Inspection Report 07201015/2020-201, NAC International," September 3, 2020
2. Pre-Decisional Enforcement Conference, October 20, 2020

NAC International Inc.(NAC) hereby submits supplemental information related to a Pre-Decisional Enforcement Conference (PEC) that was conducted on October 20, 2020 with the Nuclear Regulatory Commission (NRC) (Reference 2), which was related to a February 2020 NRC inspection (Reference 1). At the conclusion of the PEC, the NRC and NAC summarized the following information to be provided by NAC:

1. A table that would show the moment of inertia ratios of CC5 to CC1, including their individual magnitudes, when the moment of inertia is calculated assuming a uniform cylinder, LS-DYNA, and Autodesk Inventor methods, and
2. NAC's LS-DYNA run results from analyses that explicitly evaluated CC3, CC4, CC5, and CC6 on the MAGNASTOR FSAR generic storage pad and soil, and
3. NAC's calculational results that investigated the sensitivity of the g-loads calculated in LS-DYNA when the input angular velocity is varied up or down by 3%.

This information is provided in Enclosure 1 of this letter and supplements the information provided by NAC during the PEC. This information is considered NAC proprietary information and is requested to be withheld from public disclosure via 10 CFR 2.390. An affidavit pursuant this regulation is provided as Attachment 1 to this letter.

NAC is committed to nuclear safety and regulatory compliance. Upon issuance of Reference 1, NAC has reviewed over the past two months 530 of 1624 (33%) of the 10 CFR 72.48 determinations performed for the NAC-MPC, NAC-UMS, and NAC MAGNASTOR® systems. This portion of NAC's extent of condition review is progressing and will continue. Any areas of noncompliance will be immediately escalated within NAC's Corrective Action Program (CAP).

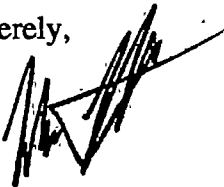
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The NAC Self-Identification Report (SIR) process is utilized to identify potentially deficient or inadequate activities that could have safety, regulatory, or quality implications; and to document and track any associated actions. As previously presented by NAC at the PEC, the SIR No. 20-03 was issued to document the receipt of the NRC's Choice Letter (EA-20-066) and the apparent violations described therein. Disposition of the SIR and escalation into a higher-level corrective action document within the NAC CAP will be completed pending the outcome of the PEC. At a minimum, NAC will use the SIR to further review and improve our procedure of implementing the 72.48 process and improve the 72.48 documentation with respect to changes in the FSAR licensing basis method of evaluation (MOE), which are not considered a "departure" as set forth in 10 CFR 72.48 and relevant NRC guidance. The SIR will also drive updates to the NAC 72.48 training program incorporating Reg. Guide 3.72, Rev. 1 and lessons learned resulting from the PEC process and updating employee training consistent with the updated training program.

Additionally, either as part of SIR 20-03 or further SIR(s), NAC will address an error NAC discovered prior to the PEC in the mass moment of inertia (MMOI) equation for a uniform density cylinder in NAC Calculation 71160-2014, which was found during our reviews of calculations and potential editorial changes within the FSAR to provide better clarity in the descriptions and representations of the MOEs.

If you have any comments or questions, please contact me on my direct line at 678-328-1236.

Sincerely,



Wren Fowler
Director, Licensing
Engineering

Attachment:

Attachment 1 – NAC International Affidavit Pursuant to 10 CFR 2.390

Enclosure:

Enclosure 1 – Pre-Decisional Enforcement Conference Supplemental Information

Attachment 1

**NAC International Inc.
Affidavit Pursuant to 10 CFR 2.390**

**NAC INTERNATIONAL
AFFIDAVIT PURSUANT TO 10 CFR 2.390**

George Carver (Affiant), Vice President, Engineering and Support Services, of NAC International Inc., hereinafter referred to as NAC, at 3930 East Jones Bridge Road, Peachtree Corners, Georgia 30092, being duly sworn, deposes and says that:

1. Affiant has reviewed the information described in Item 2 and is personally familiar with the trade secrets and privileged information contained therein, and is authorized to request its withholding.
2. The information to be withheld includes the following NAC Proprietary Information that is being provided to support the NAC Pre-Decisional Enforcement Conference for Certificate of Compliance (CoC) No. 1031, which is for the NAC International MAGNASTOR® Cask System.

- Enclosure 1 – Pre-Decisional Enforcement Conference Supplemental Information, Pages 1 thru 7

NAC is the owner of the information contained in the above documents. Thus, all of the above identified information is considered NAC Proprietary Information.

3. NAC makes this application for withholding of proprietary information based 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 financial information obtained from a person, and privileged or confidential" (Exemption 4). The information for which exemption from disclosure is herein sought is all "confidential commercial information," and some portions may also qualify under the narrower definition of "trade secret," within the meanings assigned to those terms for purposes of FOIA Exemption 4.
4. Examples of categories of information that 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 competitors of NAC, without license from NAC, constitutes a competitive economic advantage over other companies.
 - b. Information that, if used by a competitor, would reduce their expenditure of resources or improve their competitive position in the design, manufacture, shipment, installation, assurance of quality or licensing of a similar product.
 - c. Information that reveals cost or price information, production capacities, budget levels or commercial strategies of NAC, its customers, or its suppliers.
 - d. Information that reveals aspects of past, present or future NAC customer-funded development plans and programs of potential commercial value to NAC.
 - e. Information that discloses patentable subject matter for which it may be desirable to obtain patent protection.

The information that is sought to be withheld is considered to be proprietary for the reasons set forth in Items 4.a, 4.b, and 4.d.

5. The information to be withheld is being transmitted to the NRC in confidence.
6. The information sought to be withheld, including that compiled from many sources, is of a sort customarily held in confidence by NAC, and is, in fact, so held. This information has, to the best of

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my knowledge and belief, consistently been held in confidence by NAC. No public disclosure has been 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 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 Items 7 and 8 following.

7. Initial approval of proprietary treatment of a document/information is made by the Vice President, Engineering, the Project Manager, the Licensing Specialist, or the Director, Licensing – the persons most likely to know the value and sensitivity of the information in relation to industry knowledge. Access to proprietary documents within NAC is limited via “controlled distribution” to individuals on a “need to know” basis. The procedure for external release of NAC proprietary documents typically requires the approval of the Project Manager based on a review of the documents for technical content, competitive effect and accuracy of the proprietary designation. Disclosures of proprietary documents outside of NAC are limited to regulatory agencies, customers and potential customers and their agents, suppliers, licensees and contractors with a legitimate need for the information, and then only in accordance with appropriate regulatory provisions or proprietary agreements.
8. NAC has invested a significant amount of time and money in the research, development, engineering and analytical costs to develop the information that is sought to be withheld as proprietary. This information is considered to be proprietary because it contains detailed descriptions of analytical approaches, methodologies, technical data and/or evaluation results not available elsewhere. The precise value of the expertise required to develop the proprietary information is difficult to quantify, but it is clearly substantial.
9. Public disclosure of the information to be withheld is likely to cause substantial harm to the competitive position of NAC, as the owner of the information, and reduce or eliminate the availability of profit-making opportunities. The proprietary information is part of NAC’s comprehensive spent fuel storage and transport technology base, and its commercial value extends beyond the original development cost to include the development of the expertise to determine and apply the appropriate evaluation process. The value of this proprietary information and the competitive advantage that it provides to NAC would be lost if the information were disclosed to the public. Making such information available to other parties, including competitors, without their having to make similar investments of time, labor and money would provide competitors with an unfair advantage and deprive NAC of the opportunity to seek an adequate return on its large investment.

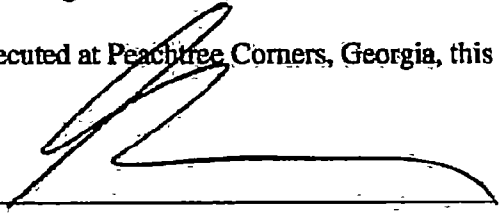
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STATE OF GEORGIA, COUNTY OF GWINNETT

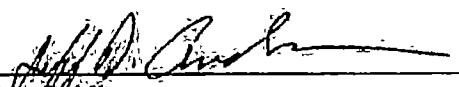
Mr. George Carver, being duly sworn, deposes and says:

That he has read the foregoing affidavit and the matters stated herein are true and correct to the best of his knowledge, information and belief.

Executed at Peachtree Corners, Georgia, this 2 day of NOVEMBER, 2020.


George Carver
Vice President, Engineering and Support Services
NAC International Inc.

Subscribed and sworn before me this 2 day of NOVEMBER, 2020.


Notary Public

