



Caldon, Inc.

June 28, 2001  
CAW 01-05

Document Control Desk  
U. S. Nuclear Regulatory Commission  
Washington, DC 20555

APPLICATION FOR WITHHOLDING PROPRIETARY  
INFORMATION FROM PUBLIC DISCLOSURE

Subject: Caldon, Inc. Engineering Report 157-P Rev. 3, "Supplement to Topical Report ER80-P: Basis for a Power Uprate With The LEFM✓ or LEFM CheckPlus System"

Gentlemen:

This application for withholding is submitted by Caldon, Inc. ("Caldon") pursuant to the provisions of paragraph (b)(1) of Section 2.790 of the Commission's regulations. It contains commercial strategic information proprietary to Caldon and customarily held in confidence.

The proprietary information for which withholding is being requested is identified in the subject submittal. In conformance with 10 CFR Section 2.790, Affidavit CAW-01-05 accompanies this application for withholding setting forth the basis on which the identified proprietary information may be withheld from public disclosure.

Accordingly, it is respectfully requested that the subject information, which is proprietary to Caldon, be withheld from public disclosure in accordance with 10 CFR Section 2.790 of the Commission's regulations.

Correspondence with respect to this application for withholding or the accompanying affidavit should reference CAW-01-05 and should be addressed to the undersigned.

Very truly yours,

Ernest M. Hauser  
President, Nuclear Division

Enclosures

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA:

SS

COUNTY OF ALLEGHENY:

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

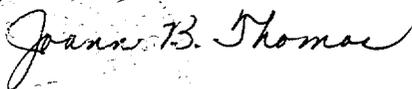


Ernest M. Hauser,  
President, Nuclear Division  
Caldon, Inc.

Sworn to and subscribed before me

this 28<sup>th</sup> day of

June, 2001



Notarial Seal  
Joann B. Thomas, Notary Public  
Pittsburgh, Allegheny County  
My Commission Expires July 28, 2003

Member, Pennsylvania Association of Notaries

1. I am the President, Nuclear Division of Caldon, Inc. 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 and rulemaking proceedings, and am authorized to apply for its withholding on behalf of Caldon.
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 Caldon application for withholding accompanying this Affidavit.
3. I have personal knowledge of the criteria and procedures utilized by Caldon 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 Caldon.
  - (ii) The information is of a type customarily held in confidence by Caldon and not customarily disclosed to the public. Caldon 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 Caldon 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 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 Caldon's

competitors without license from Caldon 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, and assurance of quality, or licensing a similar product.
- (d) It reveals cost or price information, production capacities, budget levels, or commercial strategies of Caldon, its customer or suppliers.
- (e) It reveals aspects of past, present or future Caldon or customer funded development plans and programs of potential customer value to Caldon.
- (f) It contains patentable ideas, for which patent protection may be desirable.

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

- (a) The use of such information by Caldon gives Caldon a competitive advantage over its competitors. It is, therefore, withheld from disclosure to protect the Caldon competitive position.
- (b) It is information that is marketable in many ways. The extent to which such information is available to competitors diminishes the Caldon ability to sell products or services involving the use of the information.
- (c) Use by our competitor would put Caldon 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 Caldon of a competitive advantage.
- (e) Unrestricted disclosure would jeopardize the position of prominence of Caldon in the world market, and thereby give a market advantage to the competition of those countries.
- (f) The Caldon 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 or available information has not been previously employed in the same manner or method to the best of our knowledge and belief.
- (v) The proprietary information sought to be withheld in this submittal is that which is appropriately marked in the enclosure, Caldon, Inc. Engineering Report 157P Rev. 3, "Supplement to Topical Report ER80-P: Basis for a Power Uprate With The LEFM✓ or LEFM CheckPlus System". This information is submitted for use by the NRC Staff and is expected to be applicable in other license submittals for justification of the use of Ultrasonic Flow Measurement Instrumentation to increase reactor plants' thermal power.

Public disclosure of this proprietary information is likely to cause substantial harm to the competitive position of Caldon because it would enhance the ability of competitors to provide similar flow and temperature measurement systems and licensing defense services for commercial

power reactors without commensurate expenses. Also, public disclosure of the information would enable others to use the information to meet NRC requirements for licensing documentation without the right to use the information.

The development of the technology described in part by the information is the result of applying the results of many years of experience in an intensive Caldon effort and the expenditure of a considerable sum of money.

In order for competitors of Caldon to duplicate this information, similar products would have to be developed, similar technical programs would have to be performed, and a significant manpower effort, having the requisite talent and experience, would have to be expended for developing analytical methods and receiving NRC approval for those methods.

Further the deponent sayeth not.

ATTACHMENT 2  
to letter CNRO-2001-00029

Caldon Topical Report ER-157N (Non-Proprietary)