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MFN 02-046  
August 6, 2002

Proj 710

U.S. Nuclear Regulatory Commission  
Document Control Desk  
Washington, D.C. 20555-0001

Attention: Amarjit Singh  
Office of Nuclear Reactor Research

Subject: **GE Presentation to NRC on "Risk-Informed Part 50 Option 3  
Engineering Implementation Method"**

Enclosed is a revision copy of the GE presentation for a tentative August 20, 2002 meeting with the NRC Staff on the subject topic. Please destroy the Reference letter. GE requests NRC feedback on the proposed GE methodology and believes that this methodology will provide the NRC with information for the further development of a framework for implementing Option 3 to risk informing 10 CFR 50.

Please note that the enclosed presentation contains proprietary information of the type that GE maintains in confidence and withholds from public disclosure. Also note that GE is identifying the information as part of a compilation process. The information has been handled and classified as proprietary to GE and indicated in the enclosed affidavit. GE hereby requests that this information be withheld from public disclosure in accordance with the provisions of 10 CFR 2.790 and 9.17.

If you have any questions about the information provided here please contact Richard Hill at (408) 925-5388, or myself.

Sincerely,

George Stramback  
Regulatory Services, Project Manager  
GE Nuclear Energy  
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Reference: Letter MFN 02-004, George Stramback (GE) to Amarjit Singh (NRC),  
same subject, dated August 2, 2002

Enclosures:

- 1) Presentation entitled *Risk-Informed Part 50 Option 3 Engineering Implementation Method*, August 20, 2002
- 2) Affidavit by George B. Stramback, dated August 6, 2002

cc: AB Wang – USNRC  
ME Harding  
JF Klapproth  
RA Hill  
DC Pappone

# General Electric Company

## AFFIDAVIT

I, **George B. Stramback**, state as follows:

- (1) I am Project Manager, Regulatory Services, General Electric Company ("GE") and have been delegated the function of reviewing the information described in paragraph (2) which is sought to be withheld, and have been authorized to apply for its withholding.
- (2) The information sought to be withheld is contained in the presentation attached to GE letter MFN 02-044 George Stramback to NRC, *Risk-Informed Part 50 Option 3 Engineering Implementation Method* (GE Company Proprietary), dated August 2, 2002. The proprietary information is the entire presentation, delineated by bars marked in the margin adjacent to the specific material.
- (3) In making this application for withholding of proprietary information of which it is the owner, GE relies 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 9.17(a)(4), 2.790(a)(4), and 2.790(d)(1) for "trade secrets and commercial or financial information obtained from a person and privileged or confidential" (Exemption 4). The material for which exemption from disclosure is here sought is all "confidential commercial information", and some portions also qualify under the narrower definition of "trade secret", within the meanings assigned to those terms for purposes of FOIA Exemption 4 in, respectively, Critical Mass Energy Project v. Nuclear Regulatory Commission, 975F2d871 (DC Cir. 1992), and Public Citizen Health Research Group v. FDA, 704F2d1280 (DC Cir. 1983).
- (4) Some examples of categories of information which 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 General Electric's competitors without license from General Electric constitutes a competitive economic advantage over other companies;
  - b. Information which, if used 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 of a similar product;

- c. Information which reveals cost or price information, production capacities, budget levels, or commercial strategies of General Electric, its customers, or its suppliers;
- d. Information which reveals aspects of past, present, or future General Electric customer-funded development plans and programs, of potential commercial value to General Electric;
- e. Information which discloses patentable subject matter for which it may be desirable to obtain patent protection. GE has filed a patent application, which is pending in the US Patent Office and has not been published yet.

The information sought to be withheld is considered to be proprietary for the reasons set forth in both paragraphs (4)a., (4)b, and (4)e., above.

- (5) The information sought to be withheld is being submitted to NRC in confidence. The information is of a sort customarily held in confidence by GE, and is in fact so held. The information sought to be withheld has, to the best of my knowledge and belief, consistently been held in confidence by GE, no public disclosure has been made, and it is not available in public sources. All disclosures to third parties including any required transmittals to 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 paragraphs (6) and (7) following.
- (6) Initial approval of proprietary treatment of a document is made by the manager of the originating component, the person most likely to be acquainted with the value and sensitivity of the information in relation to industry knowledge. Access to such documents within GE is limited on a "need to know" basis.
- (7) The procedure for approval of external release of such a document typically requires review by the staff manager, project manager, principal scientist or other equivalent authority, by the manager of the cognizant marketing function (or his delegate), and by the Legal Operation, for technical content, competitive effect, and determination of the accuracy of the proprietary designation. Disclosures outside GE are limited to regulatory bodies, customers, and potential customers, and their agents, suppliers, and licensees, and others with a legitimate need for the information, and then only in accordance with appropriate regulatory provisions or proprietary agreements.
- (8) The information identified in paragraph (2), above, is classified as proprietary because it contains detailed descriptions of GE methods and processes, which GE has developed to perform integration of probabilistic risk assessment insights into deterministic analyses in a manner that will comply with proposed regulatory changes under NRC proposed Option 3 for revising 10 CFR 50.

The development of the Engineering Implementation Method was achieved at a significant cost, over 30,000 dollars to GE and a patent is pending on this process.

The development of the evaluation process along with the interpretation and application of the analytical results is derived from the extensive experience database that constitutes a major GE asset.

- (9) Public disclosure of the information sought to be withheld is likely to cause substantial harm to GE's competitive position and foreclose or reduce the availability of profit-making opportunities. The information is part of GE's comprehensive BWR safety and technology base, and its commercial value extends beyond the original development cost. The value of the technology base goes beyond the extensive physical database and analytical methodology and includes development of the expertise to determine and apply the appropriate evaluation process. In addition, the technology base includes the value derived from providing analyses done with NRC-approved methods.

The research, development, engineering, analytical and NRC review costs comprise a substantial investment of time and money by GE.

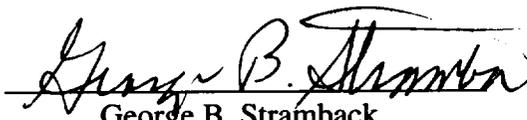
The precise value of the expertise to devise an evaluation process and apply the correct analytical methodology is difficult to quantify, but it clearly is substantial.

GE's competitive advantage will be lost if its competitors are able to use the results of the GE experience to normalize or verify their own process or if they are able to claim an equivalent understanding by demonstrating that they can arrive at the same or similar conclusions.

The value of this information to GE would be lost if the information were disclosed to the public. Making such information available to competitors without their having been required to undertake a similar expenditure of resources would unfairly provide competitors with a windfall, and deprive GE of the opportunity to exercise its competitive advantage to seek an adequate return on its large investment in developing these very valuable analytical tools.

I declare under penalty of perjury that the foregoing affidavit and the matters stated therein are true and correct to the best of my knowledge, information, and belief.

Executed on this 6<sup>th</sup> day of August 2002.

  
George B. Stramback  
General Electric Company