

February 12, 2003

Mr. Vince J. Langman
ACR Licensing Manager
AECL Technologies Inc.
901 15th Street, NW, Suite 440
Washington, DC. 20005-2301

SUBJECT: REQUEST FOR WITHHOLDING INFORMATION FROM PUBLIC DISCLOSURE
FOR ADVANCED CANDU REACTOR (ACR-700)

Dear Mr. Langman:

By letter dated January 17, 2003, Atomic Energy of Canada, Limited (AECL) submitted an affidavit dated January 17, 2003, executed by Mr. Ken Hedges requesting that the following materials be withheld from public disclosure pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) Section 2.790:

1. One CD containing the proprietary version of the Physics Presentation provided to the USNRC, December 4-5, 2002, at Chalk River Laboratories.
2. One CD containing the proprietary version of the Fuel Channels Presentation provided to the USNRC, December 4-5, 2002, at Chalk River Laboratories.

A nonproprietary copy of these documents is available in the Nuclear Regulatory Commission's (NRC's) Public Document Room and was added to the Agencywide Documents Access and Management System (ADAMS) Public Electronic Reading Room; refer to Accession No. ML030020312.

The affidavit stated that the submitted information should be considered exempt from mandatory public disclosure for the following reasons:

1. This information is confidential and has been held in confidence by AECL, which is the parent company of AECL Technologies Inc. The information is contained in AECL reports or other documents that are normally held in confidence in accordance with AECL's procedures for the protection of information. The reports or other documents are part of AECL's comprehensive safety and technology base for the CANDU design, and their commercial value extends beyond the original development costs, which in themselves are considerable.
2. The information is contained in CANDU Owners Group Inc. (COG) reports that are held in confidence by both AECL and the Canadian nuclear utilities that participate in research and development programs via the COG. There is a rational basis for holding the reports in confidence since the information contains sensitive technical and/or commercial information relating to the supporting research, design, and/or operation of CANDU reactors. Also, the COG reports are only distributed to participants in the COG research and development programs. These participants expend significant amounts of money to

fund the COG research and development programs, which produce the information described in these reports. Additionally, public disclosure by the NRC of the information contained in the COG reports, which are supplied in confidence by the COG to AECL, could jeopardize the future availability of such information to AECL. AECL is contractually obligated to the COG and other participants in the COG programs to maintain the confidentiality of such reports. AECL relies, in part, on the COG reports to improve the safety, operability, and maintainability of the ACR-700, and to help develop and recommend improvements to enhance the safety, operability, and maintainability of existing CANDU plants. The COG would be reluctant to provide such information to AECL, and could move to restrict AECL Technologies' ability to provide such reports to the NRC, if there was a possibility that the NRC might make the information publicly available, after being supplied to the NRC by AECL Technologies Inc. AECL would suffer harm to its commercial business and competitive position if it did not have access to these reports and was unable to improve existing and future designs. Further, other participants in the COG research and development programs would be reluctant to enter into such programs in which AECL was a participant; those participants enter into and fund such programs with the expectation that the results will remain confidential to the COG and program participants if there is a possibility that information generated in such programs would become publicly available through AECL Technologies' provision of the COG reports to the NRC. For the same reason, disclosure of such reports by the NRC would also hinder the ability of the NRC to receive similar reports in the future from AECL Technologies, since the COG would likely withhold such reports from AECL.

We have reviewed your application and the material in accordance with the requirements of 10 CFR 2.790 and, on the basis of your statements, have determined that the submitted information sought to be withheld contains proprietary commercial information and should be withheld from public disclosure.

Therefore, the material described above and identified 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 inspection should change in the future such that the information could then be made available for public inspection, you should promptly notify the NRC. You also should understand that the NRC may have cause to review

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this determination in the future, for example, if the scope of a Freedom of Information Act request includes your information. In all review situations, if the NRC makes a determination adverse to the above, you will be notified in advance of any public disclosure.

If you have any questions regarding this matter, I may be reached at 301-415-2375.

Sincerely,

/RA/

Belkys Sosa, ACR Project Manager
Division of New Reactor Licensing Project Office
Office of Nuclear Reactor Regulation

Project No. 722

cc: See next page

V. Langman

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Belkys Sosa, ACR Project Manager
Division of New Reactor Licensing Project Office
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ADAMS ACCESSION NUMBER: ML030230791

*See previous concurrence

OFFICE	NRLPO/PM	OGC*	NRLPO/DD
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DATE	2/10/2003	2/4/2003	2/11/2003

OFFICIAL RECORD COPY

ACR-700

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