AECL
TECHNOLOGIES INC.

May 03, 2004

Our File: 108US-01321-021-001
Your File: Project No. 722

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

Attention: Ms. B. Sosa
Project Manager, ACR

References:

1. Letter V. Langman to B. Sosa, "Response to NRC's Requests for Additional Information (RAIs) #5 on Class 1 Pressure Boundary Design and Materials Review of Fuel Channels and On-Power Fueling", March 31, 2004.

Re: **Additional Proprietary Information in Response to NRC's RAI #114 on Degradation Mechanisms and Related Inspection and Monitoring**

In addition to our response to RAI #114 provided in Reference 1, and as a follow-up of discussions between the NRC and AECL staff the attachment to this letter provides additional proprietary information on the nature of the oxides present on the inside surfaces of irradiated pressure tubes.

The additional information in response to RAI 114 provided in attachment 1 contains proprietary information of the type that AECL normally maintains in confidence and withholds from public disclosure. The information has been handled and classified as proprietary to AECL as cited in the affidavit provided in Attachment 2. Therefore, it is requested that the information provided in Attachment 1 be handled by the USNRC on a confidential basis and be withheld, in their entirety, from public disclosure in accordance with the provisions of 10CFR2.390 and 9.17.

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If you have any questions on this letter and/or the enclosed material please contact the undersigned at (905) 823-9060 extension 6543.

Yours sincerely,

Vince Langman

Vince J. Langman
ACR Licensing Manager

/Attachments:

1. Additional Proprietary Information in Response to NRC's RAI #114
2. AECLT Proprietary Information Affidavit

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ATTACHMENT 1
APPLICATION FOR THE NUCLEAR REGULATORY COMMISSION'S WITHHOLDING FROM PUBLIC DISCLOSURE OF PROPRIETARY AECL REPORTS

10 C.F.R. § 2.390
AFFIDAVIT OF JOHN POLCYN

I, John Polcyn, President, AECL Technologies Inc., do hereby affirm and state:

1. I am the President of AECL Technologies Inc., and have been delegated the function of reviewing the proprietary information sought to be withheld from public disclosure, and am authorized to apply for its withholding on behalf of AECL Technologies Inc.

2. In the attached letter B. Sosa from V. Langman, "Additional Proprietary Information in Response to NRC's RAI #114 on Degradation Mechanisms and Related Inspection and Monitoring", dated May 03, 2004, and the information contained in the attachment 1 to that letter, AECL Technologies Inc. is providing information in support of the Nuclear Regulatory Commission's (NRC) pre-application review of the Advanced CANDU Reactor (ACR). The information provided constitutes proprietary commercial information that should be held in confidence by NRC pursuant to 10 CFR § 2.390(a)(4) and 9.17(a)(4), because of one, or more, of the following reasons:

   i. 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.

   ii. 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 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, COG reports are only distributed to participants in 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 COG reports, which are supplied in confidence by COG to AECL, could jeopardize the future availability of such information to AECL. AECL is contractually obligated to COG and to other participants in COG programs to maintain the confidentiality of such reports. AECL relies, in part, on COG reports

to improve the safety, operability and maintainability of the ACR, and to help develop and recommend improvements to enhance the safety, operability and maintainability of existing CANDU plants. 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 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 COG and program participants; if there is a possibility that information generated in such programs would become publicly available through AECL Technologies' provision of COG reports to the NRC, they will not wish to participate in research programs with AECL. 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 COG would likely withhold such reports from AECL.

iii. This information is being transmitted to the NRC in confidence.

iv. This information is generally not available in public sources and could not be gathered readily from other publicly available information.

v. Public disclosure of this information would create substantial harm to the competitive position of AECL by disclosing sensitive commercial information about the design and/or operation of CANDU reactors and/or the ACR to other parties whose commercial interests may be adverse to those of AECL. Also, the information contained in these reports has been developed at significant cost to AECL (the parent company of AECL Technologies).

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3. Accordingly, AECL Technologies Inc. requests that the information provided in Enclosure 1 be withheld from public disclosure pursuant to the policy reflected in §§ 2.390(a)(4) and 9.17(a)(4).

John Polcyn

John Polcyn, President, AECL Technologies Inc.

Subscribed and sworn before me on this 11th day of May, 2004.

Marta Johnston

Notary Public

MARTA JOHNSTON NOTARY PUBLIC FREDERICK COUNTY, MARYLAND

My Commission expires 4-1-07