

72-1014
72-0013



Entergy Operations, Inc.
1448 S.R. 333
Russellville, AR 72802
Tel 479-858-4888

Proprietary Information Enclosed

OCAN050506

May 10, 2005

Attn: Document Control Desk
Director, Spent Fuel Project Office
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Washington, DC 20555-0001

Subject: Request for Additional Information Concerning Request for Exemption from
Holtec International Certificate of Compliance (CoC) (72-1014)
Arkansas Nuclear One – Units 1 and 2
Docket Nos. 50-313, 50-368, and 72-13
License Nos. DPR-51 and NPF-6

References:

1. Entergy Letter dated March 21, 2005, *Request for Exemption from Holtec International Certificate of Compliance (CoC) (72-1014)* (OCAN030504)
2. TAC No. L23826

Dear Sir or Madam:

Pursuant to 10CFR72.7, Entergy Operations requested an exemption from the requirements of 10CFR72.212(a)(2) and 10CFR72.214 on March 21, 2005. Specifically, an exemption from Appendix B, Section 2.1 of the Holtec International Certificate of Compliance (CoC) (72-1014), *Fuel Specifications and Loading Conditions*, was requested.

During the week of April 25, 2005, Entergy was verbally notified that additional information was needed to support the review of the exemption request. Per your request, please see Attachment 2 proprietary copy of Holtec Report No. HI-2012771, *Appendix O, MPC-32 with Assembly Class 16X16A with Damage to Fuel Rods*, which was referenced in the justification for the exemption.

A Holtec affidavit is contained in Attachment 1 which requests the proprietary information to be withheld from public disclosure in accordance with 10CFR2.390. Should you have any questions concerning this submittal, please contact Stephenie Pyle at 479-858-4704.

There are no new commitments contained in this submittal.

NIMSSOI

Sincerely,

A handwritten signature in black ink that reads "Dennis Boyd". The signature is written in a cursive style with a large, prominent "D" and "B".

for Dale E. James
Manager, Licensing

DEJ/SLP

Attachment(s)

1. Holtec Affidavit to Request Withholding of Information from Public Disclosure
2. Holtec Report No. HI-2012771, *Appendix O, MPC-32 with Assembly Class 16X16A with Damage to Fuel Rods*

cc: Dr. Bruce Mallett
Regional Administrator
U. S. Nuclear Regulatory Commission
Region IV
611 Ryan Plaza Drive, Suite 400
Arlington, TX 76011-8064

NRC Senior Resident Inspector
Arkansas Nuclear One
P.O. Box 310
London, AR 72847

U. S. Nuclear Regulatory Commission
Attn: Mr. Drew Holland
Mail Stop 0-7 D1
Washington, DC 20555-0001

U. S. Nuclear Regulatory Commission
Attn: Mr. Thomas Alexion
Mail Stop 0-7 D1
Washington, DC 20555-0001

U. S. Nuclear Regulatory Commission
Attn: Mr. Christopher M. Regan
Mail Stop 0-13 D13
Washington, DC 20555-0001

U. S. Nuclear Regulatory Commission
Attn: Mr. Scott Atwater
Region IV
611 Ryan Plaza Drive, Suite 400
Arlington, TX 76011-8064

Attachment 1

OCAN050506

**Holtec Affidavit to Request Withholding of
Information from Public Disclosure**

AFFIDAVIT PURSUANT TO 10CFR2.390

I, Vince Bilovsky, being duly sworn, depose and state as follows:

- (1) I am the Holtec International Project Manager for Holtec Project 1104 (ANO Dry Storage) and have reviewed the information described in paragraph (2) which is sought to be withheld, and am authorized to apply for its withholding.
- (2) The information sought to be withheld is Appendix O of Holtec Report HI-2012771 Rev 7. The affected portions are appropriately annotated as Holtec Proprietary information.
- (3) In making this application for withholding of proprietary information of which it is the owner, Holtec International 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 10CFR Part 9.17(a)(4), 2.390(a)(4), and 2.390(b)(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).

AFFIDAVIT PURSUANT TO 10CFR2.390

- (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 Holtec's competitors without license from Holtec International 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 Holtec International, its customers, or its suppliers;
 - d. Information which reveals aspects of past, present, or future Holtec International customer-funded development plans and programs of potential commercial value to Holtec International;
 - e. Information which discloses patentable subject matter for which it may be desirable to obtain patent protection.

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

- (5) The information sought to be withheld is being submitted to the NRC in confidence. The information (including that compiled from many sources) is of a sort customarily held in confidence by Holtec International, 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 Holtec International. 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

AFFIDAVIT PURSUANT TO 10CFR2.390

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 Holtec International 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 designee), and by the Legal Operation, for technical content, competitive effect, and determination of the accuracy of the proprietary designation. Disclosures outside Holtec International 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 classified as proprietary was developed and compiled by Holtec International at a significant cost to Holtec International. This information is classified as proprietary because it contains detailed descriptions of analytical approaches and methodologies not available elsewhere. This information would provide other parties, including competitors, with information from Holtec International's technical database and the results of evaluations performed by Holtec International. A substantial effort has been expended by Holtec International to develop this information. Release of this information would improve a competitor's position because it would enable Holtec's competitor to copy our technology and offer it for sale in competition with our company, causing us financial injury.

AFFIDAVIT PURSUANT TO 10CFR2.390

- (9) Public disclosure of the information sought to be withheld is likely to cause substantial harm to Holtec International's competitive position and foreclose or reduce the availability of profit-making opportunities. The information is part of Holtec International's comprehensive spent fuel storage 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.

The research, development, engineering, and analytical costs comprise a substantial investment of time and money by Holtec International.

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.

Holtec International's competitive advantage will be lost if its competitors are able to use the results of the Holtec International 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 Holtec International 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 Holtec International of the opportunity to exercise its competitive advantage to seek an adequate return on its large investment in developing these very valuable analytical tools.

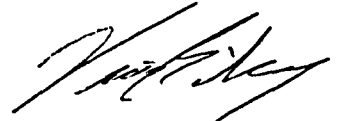
AFFIDAVIT PURSUANT TO 10CFR2.390

STATE OF NEW JERSEY)
)
COUNTY OF BURLINGTON) ss:

Mr. Vince Bilovsky, being duly sworn, deposes and says:

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

Executed at Marlton, New Jersey, this 27th day of April, 2005.


Vince Bilovsky
Holtec International

Subscribed and sworn before me this 27th day of April, 2005.


MARIA C. MASSI
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 25, 2010