



August 1, 1994
LD-94-051

07001100

Mr. R. A. Hermann
Office of Nuclear Reactor Regulation
Materials & Chemical Engineering Branch
Attn: Document Control Desk
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Subject: Transmittal of Proprietary Slides

Dear Mr. Hermann:

Enclosure I to this letter transmits a copy of the proprietary slides presented by ABB Combustion Engineering (ABB-CE) during your visit to our Windsor, Connecticut, facility on June 21, 1994. During the meeting, we provided a comprehensive overview of our steam generator tube repair products and processes. A limited number of slides related to "Sleeving Qualification" contained proprietary information. A copy of these proprietary slides are transmitted herein for your use.

Since material contained in Enclosure I is proprietary, we request that it be withheld from public disclosure in accordance with the provisions of 10 CFR 2.790 and that this material be appropriately safeguarded. The reasons for the classification of this material as proprietary are delineated in the affidavit provided as Enclosure II.

If you have any questions on any items discussed at the meeting, please call me at (203) 285-5215.

Very truly yours,

M. Robles, Jr.
M. Robles, Jr.
Nuclear Licensing

Information in this record was deleted
in accordance with the Freedom of Information
Act, exemptions 4
FOIA-2004-0234

/lw

Enclosures: As Stated

cc: G. P. Hornseth (NRC)

Add: Robert Hermann 4tr Encl
Geoff Hornseth 1 1
James Medaff 1 1

Y601
Change: NRC PDR 4tr Encl
NSIC 1 0
1 0

ABB Combustion Engineering Nuclear Power

10003

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~~CONFIDENTIAL~~
~~RESTRICTED~~
~~NO FORN DISSEM~~
~~NO UNCLASSIFIED~~

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AFFIDAVIT PURSUANT

TO 10 CFR 2.790

Combustion Engineering, Inc.)
State of Connecticut)
County of Hartford) SS.:

I, S. A. Toelle, depose and say that I am the Manager, Nuclear Licensing, of Combustion Engineering, Inc., duly authorized to make this affidavit, and have reviewed or caused to have reviewed the information which is identified as proprietary and referenced in the paragraph immediately below. I am submitting this affidavit in conformance with the provisions of 10 CFR 2.790 of the Commission's regulations for withholding this information.

The information for which proprietary treatment is sought is contained in the following document:

Enclosure I to LD-94-051, "Proprietary Slides Presented to NRC During Visit to ABB-CE in Windsor, Connecticut, on June 21, 1994," August 1, 1994.

This document has been appropriately designated as proprietary.

I have personal knowledge of the criteria and procedures utilized by Combustion Engineering in designating information as a trade secret, privileged or as confidential commercial or financial information.

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, included in the above referenced document, should be withheld.

1. The information sought to be withheld from public disclosure, which is owned and has been held in confidence by Combustion Engineering, is qualification testing results for steam generator tube sleeves.
2. The information consists of test data or other similar data concerning a process, method or component, the application of which results in substantial competitive advantage to Combustion Engineering.
3. The information is of a type customarily held in confidence by Combustion Engineering and not customarily disclosed to the public. Combustion Engineering 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 details of the aforementioned system were provided to the Nuclear Regulatory Commission via letter DP-537 from F. M. Stern to Frank Schroeder dated December 2, 1974. This system was applied in determining that the subject document herein is proprietary.

4. The information is being transmitted to the Commission in confidence under the provisions of 10 CFR 2.790 with the understanding that it is to be received in confidence by the Commission.

5. The information, to the best of my knowledge and belief, is not available in public sources, and any disclosure to third parties has been made pursuant to regulatory provisions or proprietary agreements which provide for maintenance of the information in confidence.

6. Public disclosure of the information is likely to cause substantial harm to the competitive position of Combustion Engineering because:
 - a. A similar product is manufactured and sold by major pressurized water reactor competitors of Combustion Engineering.
 - b. Development of this information by C-E required thousands of manhours and hundreds of thousands of dollars. To the best of my knowledge and belief, a competitor would have to undergo similar expense in generating equivalent information.
 - c. In order to acquire such information, a competitor would also require considerable time and inconvenience to obtain qualification testing results for steam generator tube sleeves.

- d. The information required significant effort and expense to obtain the licensing approvals necessary for application of the information. Avoidance of this expense would decrease a competitor's cost in applying the information and marketing the product to which the information is applicable.
- e. The information consists of qualification testing results for steam generator tube sleeves, the application of which provides a competitive economic advantage. The availability of such information to competitors would enable them to modify their product to better compete with Combustion Engineering, take marketing or other actions to improve their product's position or impair the position of Combustion Engineering's product, and avoid developing similar data and analyses in support of their processes, methods or apparatus.
- f. In pricing Combustion Engineering's products and services, significant research, development, engineering, analytical, manufacturing, licensing, quality assurance and other costs and expenses must be included. The ability of Combustion Engineering's competitors to utilize such information without similar expenditure of resources may enable them to sell at prices reflecting significantly lower costs.
- g. Use of the information by competitors in the international marketplace would increase their ability to market nuclear steam supply systems by reducing the costs associated with

their technology development. In addition, disclosure would have an adverse economic impact on Combustion Engineering's potential for obtaining or maintaining foreign licensees.

Further the deponent sayeth not.

S. A. Toelle

S. A. Toelle
Manager
Nuclear Licensing

Sworn to before me
this 1st day of August, 1994

Laurie J. White
Notary Public

My commission expires: 8-31-99