



HITACHI

GE Hitachi Nuclear Energy

Richard E. Kingston
Vice President, ESBWR Licensing

PO Box 780
3901 Castle Hayne Road, M/C A-65
Wilmington, NC 28402-0780 USA

T 910.819.6192
F 910.362.6192
rick.kingston@ge.com

Proprietary Notice

This letter forwards proprietary information in accordance with 10CFR2.390. Upon the removal of Enclosure 1, the balance of this letter may be considered non-proprietary.

MFN 09-067

Docket No. 52-010

January 29, 2009

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

Subject: **Submission of ESBWR DCD Revision 5 Simplified Logic Diagrams**

To facilitate better understanding of some logic design and architecture details, and as further demonstration of the design information provided in the ESBWR DCD, the NRC has requested copies of GEH Proprietary ESBWR DCD Revision 5 Simplified Logic Diagrams (SLDs). To address this request, GEH is providing Enclosure 1, a CD containing ESBWR SLDs that are GEH Proprietary ESBWR design drawings. The ESBWR SLDs are provided as confirmatory information (i.e., not for formal review and approval), and the enclosed ESBWR SLDs do not constitute part of the ESBWR DCD. Non-proprietary versions of the ESBWR SLDs are not available and, if prepared, would effectively be blank sheets with only title blocks.

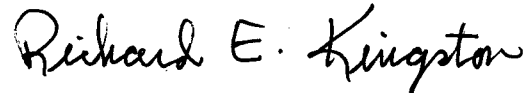
Enclosure 1 contains GEH proprietary information. GEH customarily maintains this information in confidence and withholds it from public disclosure.

The affidavit contained in Enclosure 2 identifies that the information contained in Enclosure 1 has been handled and classified as proprietary to GEH. GEH hereby requests that the information of Enclosure 1 be withheld from public disclosure in accordance with the provisions of 10 CFR 2.390 and 9.17.

D008
NRC

If you have any questions or require additional information, please contact me.

Sincerely,



Richard E. Kingston
Vice President, ESBWR Licensing

Enclosures:

1. CD titled ESBWR Simplified Logic Diagrams DCD Revision 5
2. Affidavit – David H. Hinds – January 26, 2009

cc:

AE Cabbage	USNRC (with enclosure)
RE Brown	GEH/Wilmington (with enclosure)
DH Hinds	GEH/Wilmington (with enclosures)

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Enclosure 2

Affidavit

GE-Hitachi Nuclear Energy Americas LLC

AFFIDAVIT

I, **David H. Hinds**, state as follows:

- (1) I am the General Manager, New Units Engineering, GE Hitachi Nuclear Energy ("GEH") 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 Enclosure 1 of GEH letter MFN 09-067, Mr. Richard E. Kingston to U.S. Nuclear Regulatory Commission, "Submittal of ESBWR DCD Revision 5 Simplified Logic Diagrams" dated January 29, 2009. The proprietary information in the Enclosure 1, which is entitled "ESBWR Simplified Logic Diagrams DCD Revision 5", is delineated by a proprietary information notice on each Simplified Logic Diagram.
- (3) In making this application for withholding of proprietary information of which it is the owner, GEH 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), and 2.390(a)(4) for "trade secrets" (Exemption 4). The material for which exemption from disclosure is here sought 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 GEH's competitors without license from GEH 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 aspects of past, present, or future GEH customer-funded development plans and programs, resulting in potential products to GEH;
 - d. 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 paragraphs (4)a., and (4)b, above.

- (5) To address 10 CFR 2.390(b)(4), the information sought to be withheld is being submitted to NRC in confidence. The information is of a sort customarily held in confidence by GEH, 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 GEH, 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, or subject to the terms under which it was licensed to GEH. Access to such documents within GEH 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 GEH 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 identifies detailed GEH ESBWR design for its instrumentation and control systems.

The development of the simplified logic diagrams is derived from the extensive experience database that constitutes a major GEH asset.

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


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.

GEH's competitive advantage will be lost if its competitors are able to use the results of the GEH 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 GEH 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 GEH 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 29th day of January 2009.



David H. Hinds
GE-Hitachi Nuclear Energy Americas LLC