July 3, 2012

Jerald Head Senior Vice President,
Regulatory Affairs
GE Hitachi Nuclear Energy
PO Box 780 M/C A-18
Wilmington, NC 28402-0780

SUBJECT: NRC APPROVAL OF GE HITACHI NUCLEAR ENERGY AMERICAS LLC
REQUEST FOR WITHHOLDING INFORMATION FROM PUBLIC DISCLOSURE

Dear Mr. Head:

By your letter and affidavit dated June 8, 2012, you requested that the information contained in the following document be withheld from public disclosure pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR), Part 2, Section 2.390: NRC Inspection Report 05200010/2012-201, and Notice of Violation.

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

(1) The information is of a sort customarily held in confidence by GE Hitachi Nuclear Energy Americas LLC (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, not been disclosed publicly, and not been made 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 and/or confidentiality agreements that provide for maintaining the information in confidence. The initial designation of this information as proprietary information and the subsequent steps taken to prevent its unauthorized disclosure are as set forth in the following paragraphs (2) and (3).

(2) Initial approval of proprietary treatment of a document is made by the manager of the originating component, who is the person most likely to be acquainted with the value and sensitivity of the information in relation to industry knowledge, or who is the person most likely to be subject to the terms under which it was licensed to GEH. Access to such documents within GEH is limited to a “need to know” basis.

(3) 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 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 and/or confidentiality agreements.

(4) Certain information identified within NRC Inspection Report 05200010/2012-201, and Notice of Violation is classified as proprietary because it communicates sensitive business information regarding commercial communications, plans, and strategies associated with future actions related to GEH's extensive body of technology, design, and regulatory information.

(5) 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 Boiling Water Reactor 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 and obtaining these very valuable analytical tools.

We have reviewed your application and the material in accordance with the requirements of 10 CFR 2.390 and, on the basis of your statements, have determined that the submitted information sought to be withheld contains trade secrets or proprietary commercial information and should be withheld from public disclosure.

Therefore, the applicable portions of NRC Inspection Report 05200010/2012-201, and Notice of Violation marked as proprietary, will be withheld from public disclosure pursuant to 10 CFR 2.390(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 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 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 of the date of public disclosure, in advance which will

be a reasonable time thereafter. If you have any questions regarding this matter, I may be reached at 301-415-3743.

Sincerely,

/RA/

Kerri A. Kavanagh, Chief
Quality Assurance Branch
Division of Construction Inspection
and Operational Programs
Office of New Reactors

Docket No. 05200010

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Sincerely,

/RA/

Kerri A. Kavanagh, Chief
Quality Assurance Branch
Division of Construction Inspection
and Operational Programs
Office of New Reactors

Docket No. 05200010

ADAMS ACCESSION No.: ML12177A201 NRC-001

Office	NRO/DCIP/CEVB	NRO/DE/CIB	NRO/DE/CIB	NRO/DCIP/CQAB
Name	GGalletti	TScarbrough	DTerao	KKavangh
Date	07/03/2012	06/27/2012	06/27/2012	07/03/2012