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GE Hitachi Nuclear Energy

Proprietary Notice

This letter transmits proprietary information in accordance with 10CFR2.390. Upon the removal of Enclosures 1 and 3, the balance of the letter may be considered non-proprietary.

James F. Harrison

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MFN 15-020
March 30, 2015

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

Subject: ACRS Thermal-Hydraulic Subcommittee Meeting, March 20, 2015, Final Presentation

Enclosed is the final presentation for the ACRS Thermal-Hydraulic Subcommittee Meeting held on March 20, 2015 for the review of the GEH Simplified Stability Solution (GS3) Licensing Topical Report (LTR).

Please note that Enclosures 1 and 3 contain proprietary information of the type that GE-Hitachi Nuclear Energy Americas LLC (GEH) maintains in confidence and withholds from public disclosure. The information contained in Enclosures 1 and 3 has been handled and classified as proprietary to GEH as indicated in the affidavit contained in Enclosure 4. GEH hereby requests that the information in Enclosures 1 and 3 be withheld from public disclosure in accordance with the provisions of 10 CFR 2.390 and 9.17.

Enclosure 3 contains a video which is deemed proprietary in its entirety. Thus, a non-proprietary version of this enclosure has not been provided in accordance with NRC Information Notice 2009-07, Requirements for Submittals, (2), which states: "In instances in which a nonproprietary version would be of no value to the public because of the extent of the proprietary information, the agency does not expect a nonproprietary version to be submitted."

Enclosure 2 includes the open session slides as well as a non-proprietary version of the ACRS Subcommittee presentation from Enclosure 1. Enclosure 4 contains the GEH affidavit.

If you have any questions, please contact Juswald Vedovi at (910) 819-6314 or me.

Sincerely,


FOR JFH

James F. Harrison
Vice President, Fuel Licensing
Regulatory Affairs
GE Hitachi Nuclear Energy

Project No. 710

DO65
MRR

Enclosures:

1. ACRS Subcommittee Presentation – GEH Proprietary Information – Class II (Internal)
2. Open Session Slides and ACRS Subcommittee Presentation – Non-Proprietary Information – Class I (Public)
3. Video – CD-ROM - GEH Proprietary Information – Class II (Internal)
4. Affidavit for Enclosures 1 and 3

cc: J Golla, NRC
PL Campbell, GEH/Washington
JG Head, GEH/Wilmington
J Vedovi, GEH/Wilmington
PLM Specification 002N5887 R0

ENCLOSURE4

MFN 15-020

Affidavit for Enclosures 1 and 3

GE-Hitachi Nuclear Energy Americas LLC

AFFIDAVIT

I, **Lisa K. Schichlein**, state as follows:

- (1) I am a Senior Project Manager, NPP/Services Licensing, Regulatory Affairs, GE-Hitachi Nuclear Energy Americas LLC (“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 Enclosures 1 and 3 of GEH letter MFN 15-020, James F. Harrison (GEH) to Document Control Desk (NRC), entitled “ACRS Thermal-Hydraulic Subcommittee Meeting, March 20, 2015, Final Presentation,” dated March 30, 2015. GEH proprietary text in Enclosure 1, which is entitled “ACRS Subcommittee Presentation”, is identified by double square brackets [[This sentence is an example.⁽³⁾]]. Figures and large objects containing GEH proprietary information are identified with double square brackets before and after the object. The content of Enclosure 3, which is a CD-ROM entitled “Video”, is proprietary in its entirety. The label on the CD-ROM carries the notation “GEH Proprietary Information – Class II (Internal)⁽³⁾.” In each case, the superscript notation ⁽³⁾ refers to Paragraph (3) of this affidavit, which provides the basis for the proprietary determination.
- (3) In making this application for withholding of proprietary information of which it is the owner or licensee, 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.
- (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 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 contains the results of analytical models, methods and processes, including computer codes, which GEH has developed, and applied to perform stability evaluations using the GEH simplified stability solution (GS3) for the BWR. The development of the GS3 stability solution for the BWR was achieved at a significant cost to GEH.

The development of the evaluation process along with the interpretation and application of the analytical results 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 and obtaining these very valuable analytical tools.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 30th day of March 2015.



Lisa K. Schichlein
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