



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

August 9, 2016

White Stagg, LLC
ATTN: Bradley Benjamin Stagg
Chief Executive Officer
520-B Eagleton Downs Drive
Pineville, NC 28134

SUBJECT: U.S. NUCLEAR REGULATORY COMMISSION DENIAL OF WHITE STAGG, LLC
REQUEST FOR WITHHOLDING INFORMATION FROM PUBLIC DISCLOSURE

Dear Mr. Stagg:

By letter and affidavit dated July 19, 2016, White Stagg, LLC submitted an application for amendment of your U.S. Nuclear Regulatory Commission (NRC) License No. 32-35253-01E, and requested that a portion be withheld from public disclosure pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR), Part 2, Section 2.390(a)(4). In particular, you requested that the name and location of the additional manufacturing and distribution facility be withheld from public disclosure. That information is required in an application for an amendment to add a manufacturing and distribution facility to your license.

You requested that the name and location of the new facility be withheld from public disclosure in accordance with 10 CFR §2.390(a)(4), applicable to trade secrets and commercial or financial information obtained from a person and privileged or confidential. Your supporting affidavit stated that the submitted information should be withheld from public disclosure for the following reasons:

1. The release of the new manufacturing and distribution facility would identify an addition location where Am-241 sealed sources (in ionization chambers) are located. These sealed sources (<1 microcuries) pose very little health hazards on their own but the State of Florida has licensed the facility to maintain a maximum of 1 curie (1,000,000 microcuries).

White Stagg, LLC deems this a public safety matter and views it as a need to know matter only to the NRC.

2. The design concept of the ionization chamber is a trade secret already protected by the NRC letter dated September 16, 2015. The manufacturing process of the ionization chamber is classified as a trade secret and must be withheld from public knowledge per 10 CFR 2.390(a)(4).

The new facility will receive the complete ionization chamber for incorporation into the HALO smoke detectors. If the ionization chamber is reverse engineered and duplicated by a competitor, it would cause substantial harm to the competitive position of White Stagg, LLC and cause irreversible damage to both the company's global financial position and manufacturing abilities.

3. Revealing the name and location of the new manufacturing and distribution facility puts White Stagg, LLC at risk of cyber-terrorism.

All documents, drawings, designs and computer programs will reside in the new facility. These documents are highly sensitive and must be protected by all parties involved. A program infected with a virus could render the HALO smoke detector useless and endanger public health by rendering the device useless in case of a fire or natural disaster.

If a virus was to be introduced into a program and not identified it would cause substantial harm to the competitive position of White Stagg, LLC and cause irreversible damage to both the company's global financial position and manufacturing abilities.

This would destroy the reputation of White Stagg, LLC and negate our primary goal of saving lives.

Pursuant to 10 CFR 2.390(b)(3), the NRC has reviewed your submission to determine whether the information White Stagg, LLC seeks to have withheld from public disclosure is a trade secret, or confidential, or privileged commercial or financial information. Based upon this review, the staff concludes that the provided information is insufficient for the NRC to justify withholding from public disclosure the proffered information.

In making this determination, the NRC considered the criteria provided in 10 CFR 2.390(b)(4) (i) – (v). By its affidavit, White Stagg, LLC affirms that information concerning the concept, design, components, programs and drawings associated with the device manufactured is not available in any public source and has been held in confidence by its owner. The information subject to the request, however, is only the name and location of the facility, not the contents of the information stored at the facility. While the information was transmitted to and received by the NRC in confidence, the name and location of manufacturing facilities is typically available from public sources and is not the type of information customarily held in confidence. (§2.390(b)(4)(iii)).

Further, White Stagg, LLC's affidavit and supporting information are insufficient to establish that public disclosure of the name and location of the facility is likely to cause substantial harm to the competitive position of the owner of the information, taking into account the value of the information to the owner; the amount of effort or money, if any, expended by the owner in developing the information; and the ease or difficulty with which the information could be properly acquired or duplicated by others. This is because your claim of competitive harm is based on information regarding the manufacturing process, which is not revealed by disclosure of the name and location of the facility.

The three reasons that you cited in support of your request for withholding are addressed in more detail below.

Reason 1: The release of the new manufacturing and distribution facility would identify an additional location where Am-241 sealed sources (in ionization chambers) are located. Individually the sources are less than 1 microcurie, and the facility will store up to 1 curie. You indicate that this a public safety matter.

Response: The policy of the NRC regarding quantities of radioactive material to be withheld from public disclosure is stated in Regulatory Issue Summary (RIS) 2005-31, Rev. 1, "Control of Security-Related Sensitive Unclassified Non-Safeguards Information Handled by Individuals, Firms, and Entities Subject to NRC Regulation of the Use of Source, Byproduct, and Special Nuclear Material" (Agencywide Documents Access and Management System [ADAMS] No. ML110140857). The quantity of concern for Am-241 in RIS 2005-31, Appendix 3, Attachment 2, Table 1, is 1.6 curies, whereas the State of Florida has licensed your facility to maintain a maximum of 1 curie, and is therefore below the quantity of concern. Furthermore, the RIS states in Appendix 3, Attachment 2(A)(2) "Locations of radioactive material," that individual mailing addresses and street addresses may be released.

Reason 2: The design concept of the ionization chamber is a trade secret already protected by the NRC letter dated September 16, 2015. The manufacturing process of the ionization chamber is classified as a trade secret and must be withheld from public knowledge per 10 CFR 2.390(a)(4). The new facility will receive the complete ionization chamber for incorporation into the HALO ionization chamber smoke detectors.

Response: Your amendment application does not contain any proprietary information related to the design of the smoke detector. The application requests only the addition of a distribution location, and this location would be listed on the amended license. Distribution locations are not considered proprietary.

Reason 3: Revealing the name and location of the new manufacturing and distribution facility puts White Stagg, LLC at risk of cyber-terrorism. All documents, drawings, designs and computer programs will reside in the new facility. These documents are highly sensitive and must be protected by all parties involved. A program infected with a virus could render the HALO ionization chamber smoke detector useless and endanger public health by rendering the device useless in case of a fire or natural disaster.

Response: Your amendment application does not contain any information that would enable a cyber terrorist to access the applicant's "documents, drawings, designs and computer programs."

Accordingly, we have concluded that the information sought to be withheld from public disclosure does not meet the requirements of 10 CFR 9.17 and 10 CFR 2.390. Therefore, your request to withhold your application for amendment in its entirety is denied.

B. Stagg

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The staff cannot return any portion of the document in question because the NRC needs to retain the information in the document to review your July 19, 2016, application for amendment of your NRC License No. 32-35253-01E. In accordance with 10 CFR 2.390(c), the information sought to be withheld will be placed in the Commission's Public Document Room 30 days after your receipt of this letter.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of NRC's ADAMS. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

If you have any questions, please contact me at Richard.Struckmeyer@nrc.gov or at (301) 415-5477.

Sincerely,

/RA/

Richard K. Struckmeyer
Materials Safety Licensing Branch
Division of Material Safety, States, Tribal,
and Rulemaking Programs
Office of Nuclear Material Safety
and Safeguards

Docket No. 030-38849
License No. 32-35253-01E
Mail Control No. 591476

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