

June 20, 2017

Mr. David Peace
Vice President, Engineering
Swagelok Company
6565 Davis Industrial Parkway, Suite A
Solon, OH 44139

SUBJECT: NUCLEAR REGULATORY COMMISSION'S DENIAL OF SWAGELOK'S
REQUEST FOR WITHHOLDING INFORMATION FROM PUBLIC DISCLOSURE

Dear Mr. Peace:

On May 3, 2017, Swagelok submitted an affidavit requesting that portions of the U.S. Nuclear Regulatory Commission (NRC) Inspection Report No. 99901477/2017-201 and Notice of Nonconformance be withheld from public disclosure pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR), Part 2, Section 2.390. Under this regulation, the NRC must make an independent review and determine whether the record, or any portions thereof, may be withheld based on the criteria outlined in your affidavit.

The affidavit stated that the names of the suppliers and the title of two 10 CFR Part 21, "Reporting of Defects and Noncompliance," evaluations should be considered exempt from mandatory public disclosure because the release of this information will cause substantial harm to the competitive position of Swagelok due to Swagelok's investment of time and money, and the extensive process that Swagelok conducts, to identify, qualify, and develop its suppliers. Specifically, the affidavit stated that (1) disclosing this information would allow competitors to "free ride" on Swagelok's expensive and time-consuming efforts to identify, qualify, and develop its roster of suppliers without the competitors' incurring similar time and expense, (2) Swagelok's suppliers perform specialized operations, including some that utilize Swagelok trade secrets, and releasing the names of the suppliers to the public would provide information on how Swagelok products are processed, and (3) Swagelok does not provide information on its suppliers to other organizations outside Swagelok. In addition, the affidavit stated that for the titles of the two 10 CFR Part 21 evaluations, the conclusion of these evaluations was that the circumstances examined did not pose a significant safety hazard.

We have reviewed your application and all of the supporting information in accordance with the requirements of 10 CFR 2.390 and have concluded that you have not provided sufficient justification for us to determine that the information sought to be withheld from public disclosure contains trade secrets, proprietary, confidential commercial or financial information. Specifically, the names of the suppliers in the report only references what was procured from these suppliers (type of material and/or services), and the report does not provide any other detail that would allow a competitor to learn any information on how Swagelok's products are processed, information on any specialized operations, or reveal any trade secrets. In addition, although these suppliers were qualified by Swagelok, any of Swagelok's competitors would be required to perform an audit to verify and document the effectiveness of the suppliers' quality program to ensure that it meets the requirements of Appendix B, "Quality Assurance Program Criteria for Nuclear Power Plants and Fuel Reprocessing Plants," to 10 CFR Part 50, "Domestic

Licensing of Production and Utilization Facilities” before procuring safety-related materials or services. Furthermore, it is public knowledge that the referenced suppliers are suppliers of the material and services mentioned in the report based on information obtained from a simple search on the internet. For example, most of the suppliers listed are already referenced in other NRC public documents such as inspection reports, 10 CFR Part 21 notifications, Generic Communications, etc.

Accordingly, we have concluded that the information sought to be withheld from public disclosure does not meet the requirements of 10 CFR 2.390. Therefore, your request to withhold portions of NRC Inspection Report No. 99901477/2017-201 and Notice of Nonconformance from public disclosure is denied.

The inspection report will be released on July 11, 2017, through the NRC’s Agencywide Documents Access and Management System, accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>; unless you take legal action to challenge this decision.

Should you have any questions regarding this matter, please contact Yamir Diaz-Castillo of my staff at 301-415-2228 or Charles Mullins from the Office of the General Counsel at 301-287-9156.

Sincerely,

/RA/

Timothy J. McGinty, Director
Division of Construction Inspection
and Operational Programs
Office of New Reactors

Docket No.: 99901477

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Dated: June 20, 2017

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