

# STONE & WEBSTER ENGINEERING CORPORATION



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Dr. Harold Denton, Director  
Office of Nuclear Reactor Regulation  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

April 13, 1979

Dear Sir:


OPERATING LICENSE NOS. DPR 32, 36, 37, 59 and 66  
APPLICATION FOR WITHHOLDING PROPRIETARY  
INFORMATION FROM PUBLIC DISCLOSURE

Reference: STONE & WEBSTER ENGINEERING CORPORATION, PROPRIETARY  
COMPUTER PROGRAMS

Enclosed herewith is the original signed Affidavit of Nuclear Services Corporation (Quadrex), a copy of which was submitted to you in conjunction with Stone & Webster Engineering Corporation's application for withholding several computer programs from public disclosure. That application was made via letter, dated April 6, 1979, and was received by your office on April 9, 1979.

If you or members of your staff have any questions or require clarification, please contact Mr. D.T. King or Mr. S.B. Jacobs at (617) 973-2034 and (617) 973-5264 respectively.

Very truly yours,

  
W.J.L. Kennedy  
Vice President

Enclosure

cc: Harold Shapar, Esq.  
Office of the Executive Legal Director, NRC

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AFFIDAVIT

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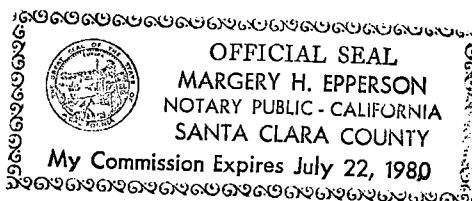
Before me, the undersigned authority, personally appeared Thomas J. Pashos, who, being by me duly sworn according to law, deposes and says that he is authorized to execute this Affidavit on behalf of Quadrex Corporation ("Quadrex") and that the averments of fact set forth in this Affidavit are true and correct to the best of his knowledge, information and belief:

Thomas J. Pashos

Thomas J. Pashos  
Senior Vice President  
Engineering

Sworn to and subscribed  
before me on this 9th  
day of April 1979.

Margery H. Epperson  
Notary Public



- (1) I am Senior Vice President, in Nuclear Services Corporation, a Division, of Quadrex Corporation and as such, I have been specifically delegated the function of reviewing the proprietary information sought to be withheld from public disclosure in connection with the seismic analysis of piping systems, and am authorized to apply for its withholding on behalf of the Quadrex Corporation.
- (2) I am making this Affidavit in conformance with the provisions of 10 CFR Section 2.790 of the Commission's regulations and in conjunction with the Stone & Webster's application for withholding accompanying this Affidavit.
- (3) I have personal knowledge of the criteria and procedures utilized by Quadrex, Nuclear Services Corporation in designating information as a trade secret, privileged or as confidential commercial or financial information.
- (4) Pursuant to the provisions of paragraph (b)(4) of Section 2.790 of the Commission's regulations, the following is furnished for consideration by the Commission in determining whether the information sought to be withheld from public disclosure should be withheld.
  - (i) The information sought to be withheld from public disclosure is owned and has been held in confidence by Quadrex.
  - (ii) The information is of a type customarily held in confidence by Quadrex and not customarily disclosed to the public. Quadrex has a rational basis for determining the types of information customarily held in confidence by it.

On this basis, information is held in confidence if it falls in one or more of several types, the release of which might result in the loss of an existing or potential competitive

advantage, as follows:

- (a) The information reveals the distinguishing aspects of a process (or component, structure, tool, method, etc.) where prevention of its use by any of Quadrex competitors without license from Quadrex constitutes a competitive economic advantage over other companies.
- (b) It consists of supporting data, including test data, relative to a process (or component, structure, tool, method, etc.), the application of which data secures a competitive economic advantage, e.g., by optimization or improved marketability.
- (c) Its use by a competitor would reduce his expenditure of resources or improve his competitive position in the design, programing, utilization, assurance of quality, delivery of associated services, or licensing a similar product.
- (d) It reveals cost or price information, production capacities, budget levels, or commercial strategies of Quadrex, its customers or suppliers.

There are sound policy reasons behind the Quadrex basis for such designs which include the following:

- (a) The use of such information by Quadrex gives Quadrex a competitive advantage over its competitors. It is, therefore, withheld from disclosure to protect the Quadrex competitive position.
- (b) It is information which is marketable in many ways. The extent to which such information is available to competitors diminishes the Quadrex ability to sell products and services involving the use of the information.

- (c) Use by our competitor would put Quadrex at a competitive disadvantage by reducing his expenditures of resources at our expense.
- (d) Each component of proprietary information pertinent to a particular competitive advantage is potentially as valuable as the total competitive advantage. If competitors acquire components of proprietary information, any one component may be the key to the entire puzzle, thereby depriving Quadrex of a competitive advantage.
- (e) Unrestricted disclosure would jeopardize the position of prominence of Quadrex in the world market, and thereby give a market advantage to the competition in those countries.
- (f) The Quadrex capacity to invest corporate assets in research and development depends upon the success in obtaining and maintaining a competitive advantage.
- (iii) The information is being transmitted to the Commission in confidence and, under the provisions of 10 CFR Section 2.790, it is to be received in confidence by the Commission.
- (iv) The information is not available in public sources to the best of our knowledge and belief.
- (v) The proprietary information sought to be withheld in this submittal is the complete computer program listing of the NUIPE computer program in accordance with Enclosures 1 through 3 of the NRC letter from Victor Stello to Mr. W. L. Profitt of Virginia Electric and Power Company, dated April 2, 1979.

This information enables Quadrex to:

- (a) Justify the design basis for piping systems
- (b) Assist its customers to obtain licenses

Further, this information has substantial commercial value as follows:

- (a) Quadrex sells the use of the information to its customers for purposes of meeting NRC requirements for licensing documentation.
- (b) Quadrex uses the information to perform and justify analyses which are sold to customers.
- (c) Quadrex uses the information to sell piping analyses and related services to its customers.

Public disclosure of this information is likely to cause substantial harm to the competitive position of Quadrex in selling piping analysis computer programs.

This information is a product of Quadrex computer software and piping analysis expertise. As such, it is broadly applicable to the analysis and licensing of piping systems in light water reactors. The development of this information is the result of many years of Quadrex effort and the expenditure of a considerable sum of money. While the analysis for this specific application was not unique, in order for competitors of Quadrex to duplicate this information would require the investment of substantially the same amount of effort and expertise that Quadrex possesses and which was acquired over a period of more than five years and by considerable investment of resources. Over the years, this has included the development of heat transfer codes, nuclear analysis codes, transient analysis codes, and an experimental data base to support them.

Further, the deponent sayeth not.