

# GENERAL ELECTRIC

NUCLEAR POWER  
SYSTEMS DIVISION

GENERAL ELECTRIC COMPANY, 175 CURTNER AVE., SAN JOSE, CALIFORNIA 95125

MC 682, (408) 925-3697

MFN-295-79

December 11, 1979

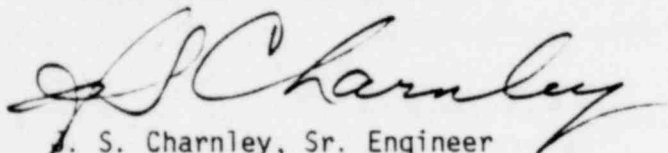
U. S. Nuclear Regulatory Commission  
Division of Operating Reactors  
Office of Nuclear Reactor Regulation  
Washington, D. C. 20555

Attention: Franklin D. Coffman, Section Leader  
Reactor Safety Branch, Section B

Gentlemen:

SUBJECT: COPY OF PRESENTATION SLIDES - DECEMBER 11, 1979 MEETING  
ON VERMONT YANKEE FUEL

Enclosed are 20 copies of the subject slides for the presentation to the NRC relative to the Vermont Yankee Reload 3 fuel and recently observed water rod wear. These slides contain information which the General Electric Company customarily maintains in confidence and withholds from public disclosure. This information has been handled and classified as Proprietary to General Electric as indicated in the attached affidavit and we hereby request that the indicated portion of these slides be withheld from public disclosure in accordance with a provision of 10CFR2.790.



J. S. Charnley, Sr. Engineer  
Reload Fuel Licensing  
Safety & Licensing Operation

JSC:ggo/132

Enclosures

cc: L. S. Gifford

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PROP ENCL TO:  
FILES  
D HOUSTON  
RIGGS  
COFFMAN  
DEBEVER  
M MENDONCA  
V ROONEY  
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OTHERS RECEIVE  
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GENERAL ELECTRIC COMPANY

AFFIDAVIT

I, Glenn G. Shrwood, being duly sworn, depose and state as follows:

1. I am Manager, Safety and Licensing Operation, General Electric Company, 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 the attached copy of presentation slides for the December 11, 1979 NRC meeting.
3. In designating material as proprietary, General Electric utilizes the definition of proprietary information and trade secrets set forth in the American Law Institute's Restatement Of Torts, Section 757. This definition provides:

"A trade secret may consist of any formula, pattern, device or compilation of information which is used in one's business and which gives him an opportunity to obtain an advantage over competitors who do not know or use it.... A substantial element of secrecy must exist, so that, except by the use of improper means, there would be difficulty in acquiring information.... Some factors to be considered in determining whether given information is one's trade secret are: (1) the extent to which the information is known outside of his business; (2) the extent to which it is known by employees and others involved in his business; (3) the extent of measures taken by him to guard the secrecy of the information; (4) the value of the information to him and to his competitors; (5) the amount of effort or money expended by him in developing the information; (6) the ease or difficulty with which the information could be properly acquired or duplicated by others."

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 where prevention of its use by General Electric's competitors without license from General Electric constitutes a competitive economic advantage over other companies;
  - b. Information consisting of supporting data and analyses, including test data, relative to a process, method or apparatus, the application of which provide a competitive economic advantage, e.g., by optimization or improved marketability;

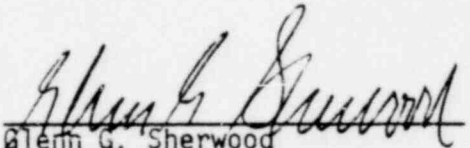
- c. Information which if used by a competitor, would reduce his expenditure of resources or improve his competitive position in the design, manufacture, shipment, installation, assurance of quality or licensing of a similar product;
  - d. Information which reveals cost or price information, production capacities, budget levels or commercial strategies of General Electric, its customers or suppliers;
  - e. Information which reveals aspects of past, present or future General Electric customer-funded development plans and programs of potential commercial value to General Electric;
  - f. Information which discloses patentable subject matter for which it may be desirable to obtain patent protection;
  - g. Information which General Electric must treat as proprietary according to agreements with other parties.
5. In addition to proprietary treatment given to material meeting the standards enumerated above, General Electric customarily maintains in confidence preliminary and draft material which has not been subject to complete proprietary, technical and editorial review. This practice is based on the fact that draft documents often do not appropriately reflect all aspects of a problem, may contain tentative conclusions and may contain errors that can be corrected during normal review and approval procedures. Also, until the final document is completed it may not be possible to make any definitive determination as to its proprietary nature. General Electric is not generally willing to release such a document to the general public in such a preliminary form. Such documents are, however, on occasion furnished to the NRC staff on a confidential basis because it is General Electric's belief that it is in the public interest for the staff to be promptly furnished with significant or potentially significant information. Furnishing the document on a confidential basis pending completion of General Electric's internal review permits early acquaintance of the staff with the information while protecting General Electric's potential proprietary position and permitting General Electric to insure the public documents are technically accurate and correct.
6. Initial approval of proprietary treatment of a document is made by the Subsection Manager of the originating component, the man most likely to be acquainted with the value and sensitivity of the information in relation to industry knowledge. Access to such documents within the Company is limited on a "need to know" basis and such documents at all times are clearly identified as proprietary.

7. The procedure for approval of external release of such a document is reviewed by the Section Manager, Project Manager, Principal Scientist or other equivalent authority, by the Section Manager of the cognizant Marketing function (or his delegate) and by the Legal Operation for technical content, competitive effect and determination of the accuracy of the proprietary designation in accordance with the standards enumerated above. Disclosures outside General Electric are generally limited to regulatory bodies, customers and potential customers and their agents, suppliers and licensees only in accordance with appropriate regulatory provisions or proprietary agreements.
8. The document mentioned in paragraph 2 above has been evaluated in accordance with the above criteria and procedures and has been found to contain information which is proprietary and which is customarily held in confidence by General Electric.
9. This information has been classified as proprietary because it contains details concerning Vermont Yankee fuel corrosion and water rod wear which was developed at considerable expense to General Electric and which are not available to other parties. The information is of a type customarily held in confidence by General Electric since it reveals important design features and provides results of tests and field examinations.
10. The information, to the best of my knowledge and belief has consistently been held in confidence by the General Electric Company. No public disclosure has been made and it is not available in public sources. All disclosures to third parties have been made pursuant to regulatory provisions or proprietary agreement which provides the maintenance of the information of the information in confidence.
11. Public disclosure of the information sought to be withheld is likely to cause substantial harm to the competitive position of the General Electric Company and deprive or reduce the availability of the profit making opportunities because:
  - a. Development of the information given in the presentation costs more than \$1,400,000.
  - b. The design information is a part of the General Electric technological base which is sold in the form of licensing agreements. The precise value of this information is difficult to identify relative to the total value of the license agreement, but it is clearly substantial. The value to General Electric would be lost if this information were disclosed to the public.

- c. Competitors in the fuel market lack the capability and experience which General Electric developed. Knowing the design information given in the presentation would allow them to reduce uncertainty factors included in fuel bids. This would cause General Electric to loose its current competitive advantage.
- d. The information discloses hypotheses and supportive data which would improve customer acceptance of General Electric's fuel. Availability of the information to General Electric's competitors would enable them to modify their fuel to better compete with General Electric, as well as taking marketing or other action to improve their product position.
- e. Research, development, engineering, analytical, and other costs and expenses must be included in General Electric's fuel price. The ability of General Electric's competitors to utilize such information without similar expenditure of resources would enable them to sell fuel at prices not reflecting similar expenditures.

Glenn G. Sherwood, being duly sworn, deposes and says that he has read the foregoing affidavit and the matters stated therein are true and correct to the best of his knowledge, information, and belief.

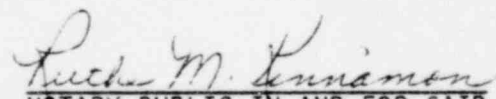
Executed at San Jose, California, this 7<sup>th</sup> day of December, 1979.

  
Glenn G. Sherwood  
General Electric Company

STATE OF CALIFORNIA     )  
COUNTY OF SANTA CLARA    ) ss:

1554 358

Subscribed and sworn before me this 7<sup>th</sup> day of December 1979.

  
NOTARY PUBLIC IN AND FOR SAID  
COUNTY AND STATE

JC:bjr/1046-49



175 Curtner Ave., San Jose, CA 95125