



General Electric Company
175 Curtner Avenue, San Jose, CA 95125

October 19, 1993

MFN No. 166-93
Docket STN 52-004

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

Attention: Jerry N. Wilson, Acting Director
Standardization Project Directorate

Subject: **NRC Requests for Additional Information (RAIs) on the Simplified
Boiling Water Reactor (SBWR) Design**

Reference: Transmittal of Requests for Additional Information (RAIs) for the
SBWR Design, Letter from M. Malloy to P. W. Marriott Dated
August 20, 1993

The reference requested additional information on the SBWR Design. In partial fulfillment of this request, GE is submitting responses to RAIs 950.17, .18, .19 and 20.

Please note that the information contained in the enclosure is of the type which GE maintains in confidence and withholds from public disclosure. It has been handled and classified as proprietary to GE as indicated in the attached affidavits. We hereby request that this information be withheld from public disclosure in accordance with the provisions of 10CFR2.790.

Sincerely,

J. F. Quirk
Project Manager
ABWR Certification Program
M/C 782, (408)925-6219

Enclosure: RAI Response

NOTE:

NRC PDR - LTR ONLY
NSIC - LTR ONLY

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GENERAL ELECTRIC COMPANY

AFFIDAVIT

I, Joseph F. Quirk, being duly sworn, depose and state as follows:

- (1) I am the Project Manager ABWR Certification Program, General Electric Company ("GE") 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 the GE proprietary responses to NRC Requests for Additional Information (RAIs) 950.17, 950.18, 950.19 and 950.20.
- (3) In making this application for withholding of proprietary information of which it is an owner, GE 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), 2.790(a)(4), and 2.790(d)(1) for "trade secrets and commercial or financial information obtained from a person and privileged or confidential" (Exemption 4). The material for which exemption from disclosure is here sought is all "confidential commercial information", and some portions 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 General Electric's competitors without license from General Electric 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 cost or price information, production capacities, budget levels, or commercial strategies of General Electric, its customers, or its suppliers;

- d. Information which reveals aspects of past, present, or future General Electric customer-funded development plans and programs, of potential commercial value to General Electric;
- e. 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 both paragraphs (4)a. and (4)b., above.

- (5) The information sought to be withheld is being submitted to NRC in confidence. The information is of a sort customarily held in confidence by GE, and is in fact so held. Its initial designation as proprietary information, and the subsequent steps taken to prevent its unauthorized disclosure, are as set forth in (6) and (7) following. The information sought to be withheld has, to the best of my knowledge and belief, consistently been held in confidence by GE, 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.
- (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. Access to such documents within GE is limited on a "need to know" basis.
- (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, by the 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. Disclosures outside GE 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) is classified as proprietary because it contains detailed design information which GE has developed using computer codes and test data achieved at a significant cost, on the order of several million dollars, to GE and its associates. The information is considered proprietary for the reasons set forth in both paragraphs (4).a and (4).b above

- (9) Public disclosure of the information sought to be withheld is likely to cause substantial harm to GE's competitive position and foreclose or reduce the availability of profit-making opportunities. The information is part of GE'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 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 GE and its associate.

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.

GE's competitive advantage will be lost if its competitors are able to use the results of the GE 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 GE 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 GE and its associates of the opportunity to exercise their competitive advantage to seek an adequate return on their large investment in developing these very valuable analytical tools.

STATE OF CALIFORNIA }
COUNTY OF SANTA CLARA }SS:

Joseph F. Quirk, 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,

Executed at San Jose, California, this 17th day of October, 1993

Joseph F. Quirk
Joseph F. Quirk
General Electric Company

Subscribed and sworn before me this 19th day of October, 1993

Paula F. Hussey
Notary Public, State of California

Affidavit Page 3

