

July 9, 1982

Mr. J. M. Felton, Director  
Division of Rules and Records  
Office of Administration  
U. S. Nuclear Regulatory Commission  
Washington, D. C. 20555

Ref: FOIA-82-263

Dear Mr. Felton:

In response to your letter of June 30, we will address the questions in the same order submitted.

1. The quarterly reporting of shipments to generally licensed individuals is submitted to the Nuclear Regulatory Commission as a regulatory requirement and is transmitted by us as containing proprietary information. It should be received by the Nuclear Regulatory Commission in confidence. This report contains a compilation of customer names and addresses, including specific contact individuals that have license responsibility over gauging devices, and the quantity and type of device purchased. Access to this report would give a competitor a direct customer list which would have been developed with significant time and monetary expenditure on our part. Customer lists are considered by Texas Nuclear to be confidential information and we take measures to guard that information.
2. This information is not currently available in public sources except for the required license report. Historically Texas Nuclear and all distributors of gauging devices have maintained that this required reporting be treated confidentially and, to the best of my knowledge and belief, the NRC has consistently held to this confidentiality such that no public disclosure has been made, and the information is not available in public sources.
3. Customer information; that is, names, addresses and types of devices, is information that is routinely treated as confidential by this company.

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Mr. J. M. Felton  
July 9, 1982  
Page 2

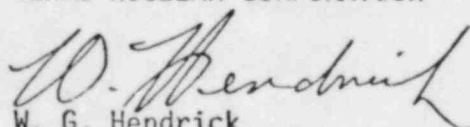
A customer list involves an expenditure of resources to develop and if disclosed would provide a competitor, foreign or domestic, with a contact list of individuals directly responsible for gauging devices. The report further provides not only the name and address of both the company and contact individual, but specific information on the type of device being distributed and, therefore, its intended use. There is no access to these quarterly reports within this company except by the originating individuals and the information is clearly limited to a "need to know" basis. Disclosure of these lists are limited to the regulatory bodies requiring such disclosure as a condition of licensure.

4. Public disclosure of this information is likely to cause substantial harm to the competitive position of Texas Nuclear and reduce the availability of profit making opportunities. Competitors could utilize the quarterly report directly in a selling situation knowing ahead of time who to contact, what devices and how many have been procured by an individual company, and what these devices are used for without expenditure of resources similar to those borne by Texas Nuclear. This information is also particularly valuable in answering questions of a competitor like: what types of gauges to spend their resources developing; ratios of market demand; whether to design gauges such that they could be distributed to both general and specific licensees; the most commonly used sources and activities; and the contact individual representing the customer.

Generally, we consider all of the information contained in a general license report to be proprietary. Particular significance is associated with the company name, contact individual and type of device distributed. In our opinion, however, any report of Texas Nuclear dated earlier than April 1976 could be released without any significant competitive harm as long as the contact name was deleted.

Sincerely,

TEXAS NUCLEAR CORPORATION



W. G. Hendrick  
Health Physicist

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