Westinghouse Electric Corporation

Water Reactor Divisions

Nuclear Technology Division

Box 355
Pittsburgh Pennsylvania 15230

CAW-83-20

March 17, 1983

Dr. Cecil O. Thomas, Chief
Standardization & Special Projects Branch
Division of Licensing
U. S. Nuclear Regulatory Commission
Phillips Building
7920 Norfolk Avenue
Bethesda, Maryland 20014

APPLICATION FOR WITHHOLDING PROPRIETARY INFORMATION FROM PUBLIC DISCLOSURE

REFERENCE: Northern States Power Company letter to C. O. Thomas, dated March, 1983

Dear Dr. Thomas:

The proprietary material for which withholding is being requested by the Northern States Power Company is further identified in an affidavit signed by the owner of the proprietary information, Westinghouse Electric Corporation. The proprietary material for which withholding is being requested is of the same technical type as that proprietary material previously submitted with application for withholding AW-77-47. The affidavit AW-77-47 submitted to justify the previous material is equally applicable to this material.

It is respectfully requested that the information which is proprietary to Westinghouse and which is further identified in the affidavit be withheld from public disclosure in accordance with 10CFR Section 2.790 of the Commission's regulations.

Accordingly, this letter authorizes the utilization of the accompanying affidavit in support of the Northern States Power Company.

Correspondence with respect to the proprietary aspects of the application for withholding or the Westinghouse affidavit should reference this letter, CAW-83-20, and should be addressed to the undersigned.

Very truly yours,

Robert A. Wiesemann

Robert A. Wiesemann, Manager
Regulatory & Legislative Affairs

/dlb

cc: E. C. Shomaker, Esq.
Office of the Executive Legal Director, NRC

WESTINGHOUSE PROPRIETARY CLASS 2

AW-77-47

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA:

ss

COUNTY OF ALLEGHENY:

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

Robert A. Wiesemann, Manager
Licensing Programs

Sworn to and subscribed
before me this 25 day
of October, 1977.

Notary Public

THE NATURE OF THE COMPETITION IN THE NUCLEAR BUSINESS

Westinghouse's principal competitors in the nuclear steam supply business are Babcock & Wilcox, Combustion Engineering, and General Electric. The principal U. S. competitors in the nuclear fuel fabrication business are Babcock & Wilcox, Combustion Engineering, Exxon, and General Electric. With the exception of General Electric, these competitors are new entries in the business with substantially smaller investments in technology. Westinghouse also has competition from foreign fabricators. This competition can drastically affect our ability to obtain contracts in the international market. Specific competitors include ASEA-ATOM (Sweden), Kraftwerk AEG (Germany), Framatome (France), BNFL (Great Britain), Enusa (Spain), Mitsubishi (Japan), and Fabricazione Nucleari (Italy).

Both the nuclear steam supply and the nuclear fuel fabrication businesses involve high technology, and competition is on the basis of that high technology rather than on price. Only if competition continues based on technology will Westinghouse be able to recover its substantial investments in technology and product development.

EFFECT OF RELEASE OF INFORMATION ON WESTINGHOUSE COMPETITIVE POSITION

If, as a matter of general practice, cost or price information or information about the basis on which Westinghouse makes its business judgements were made publicly available, it would have the general effect of altering the nature of competition from a technology base to a price base. This would change the entire complexion of the business and drive it toward a low investment-low technology development business. Under such circumstances, those in the business with heavy unrecovered investments in technology such as Westinghouse would have difficulty competing successfully with those who have made relatively small investments since

business would tend to go to the lowest qualified bidder. The general public would also suffer in that they would be deprived of the benefits of technological developments that would most likely far exceed any short-term benefits derived from lower prices. Likewise, a general practice of making publicly available information obtained from investments in technology would enable competitors to benefit without having to make commensurate investments. This would stifle the incentive for further investments in technology and drive the business to price-based competition instead of competition on the basis of technology with the same end results as in the case of disclosure of cost or price information.

WHAT WESTINGHOUSE SEEKS TO PROTECT

Westinghouse seeks to protect its ability to recover its investments in:

(1) Basic data resulting from research and development.

(2) Analytical methods and models.

(3) Details of our designs including margins, tolerances, etc.

(4) The knowledge of what data to present and how to present the data to satisfy NRC licensing requirements. NOTE: In the current licensing environment, the capability to obtain licensing approval has become very important in the marketplace.

The above identified information is of considerable commercial advantage to the competitors of Westinghouse to the extent that it eliminates the need for similar investments in technology.

RELATIONSHIP OF INFORMATION SOUGHT TO BE WITHHELD FROM PUBLIC DISCLOSURE TO WHAT IS SOUGHT TO BE PROTECTED

INFORMATION SOUGHT TO BE WITHHELD

The information sought to be withheld in this report includes conclusions regarding thermal, physical, chemical and mechanical properties of fuel and core component materials based upon Westinghouse experimental data and an extensive literature survey and data reduction program. The report also contains Westinghouse material specifications. The release of this information would result in the following competitor benefits:

POTENTIAL ADVANTAGES TO COMPETITORS

1. It would allow competitors to verify their material property design values by mere reference to the Westinghouse Report without having to expend the time, resources and funding otherwise necessary.

2. For the materials listed in the report, the data presented would enable competitors to determine to a close approximation some of the final heat treatments, processes, densities, etc., used by Westinghouse.

3. Knowledge of the materials properties presented, or the implied specifications may permit competitors to either relax their material specifications or reduce design margins, either of which circumstances could lead to sales advantages detrimental to the Westinghouse [illegible] position.

AW-77-47

INVESTMENT BY WESTINGHOUSE IN WHAT IS SOUGHT TO BE PROTECTED

It is estimated that four to five man-years of engineering and one man-year of technician effort, amounting to approximately $500,000 was expended to perform the literature survey, obtain Westinghouse experimental data, perform detailed analysis of selected data and to derive acceptable design equations and values.

Competitors could obtain the equivalent information, with difficulty, by investing a similar sum of money and provided they had the appropriate resources available and the requisite experience.

POTENTIAL HARM TO WESTINGHOUSE

We believe there is a likelihood of substantial harm to the competitive position of Westinghouse if the information sought to be withheld is publicly disclosed, which could result in a loss of revenue to Westinghouse of approximately $10,500,000 in potential first-core and $7,000,000 in potential reload fuel business.

Further the deponent sayeth not.

8642