



## H.A.F.A. INTERNATIONAL, INC.

7545 Central Industrial Drive  
Riviera Beach, Florida 33404  
(305) 848-5252

April 2, 1985  
HII-85-904  
HAFA 135(P)

Dr. Cecil O. Thomas  
Chief Standardization and  
Special Projects Branch  
Division of Licensing  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

SUBJECT: Topical Report HAFA 135(P), "Instrumented Inspection Technique As An Alternative to the Hydrostatic Testing Requirements for ASME Class 1, 2 and 3 Systems and Components"

REFERENCE: Letter H.H. Askwith (HAFA) to W.O. Miller (NRC), same subject, dated April 2, 1985

Dear Mr. Thomas:

The attached report "Instrumented Inspection Techniques as an Alternative to the Hydrostatic Testing Requirements for ASME Class 1, 2 and 3 Systems and Components" is submitted after a series of preliminary discussions relating to inservice inspection with NRC staff members. The basis of this submittal is that it covers an "important to safety" subject and is offered for review independent of any construction permit or operating license review. However, it is the intention of licensees to reference this document in upcoming licensing actions within the next 60 days. Therefore, the prompt application and response of appropriate review is requested by June 1, 1985.

H.A.F.A. International, Inc., believes that the attached document meets the criteria defined in NUREG 0390, Vol. 7, No. 2 in that -

1. It is important to safety
2. The report will be referenced in future licensing applications
3. The report contains complete information on the subject presented
4. The aforementioned preliminary discussions leading to the production of this document produced a consensus judgement that the document would increase the efficiency of the review process.

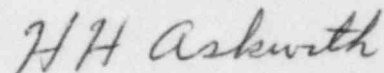
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The proprietary portions of the document are barred. All of Appendix I is proprietary, however. Barring the pages was impractical and we therefore reflected its being proprietary in the Table of Contents, and have stamped "proprietary" on many pages.

If you have any questions, please feel free to telephone me at area code 305-848-5252. Thank you.

Sincerely,



H. H. Askwith  
Vice President

HHA/er

List of Attachments

1. Affidavit
2. Licensee's documentation

Toledo Edison Company  
Philadelphia Electric Company  
Tennessee Valley Authority  
Public Service Electric and Gas Company

3. 23 copies of Topical Report HAFA-135(P)

cc: Mr. W.O. Miller (NRC)  
MR. David Moran (NRC)



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### AFFIDAVIT

I, Fay H. Askwith, being duly sworn, depose and state as follows:

1. I am President, H.A.F.A. International, Inc. (HAFA) and have been delegated the function of reviewing the information described in Paragraph 2 which is sought to be withheld and been authorized to apply for its withholding.
2. The information sought to be withheld is contained in the Topical Report HAFA 135(P) entitled "Instrumented Inspection Techniques as an Alternative to Hydrostatic Testing Requirements ASME Class 1, 2, and 3 Systems and Components," and is marked to designate it as proprietary.
3. In designating material as proprietary, HAFA 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 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 HAFA's competitors without license from HAFA 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 or quality or licensing of a similar product.
  - d. Information which reveals cost or price information, production capabilities, budget levels or commercial strategies of HAFA, its customers or suppliers;
  - e. Information which reveals aspects of past, present or future HAFA customer-funded development plans and programs of potential commercial value to HAFA;
  - f. Information which discloses patentable subject matter for which it may be desirable to obtain patent protection;
  - g. Information which HAFA must treat as proprietary according to agreements with other parties.
5. In addition to proprietary treatment given to material meeting the standards enumerated above, HAFA 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 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. HAFA 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 HAFA'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 HAFA's internal review permits early acquaintance of the staff with the information while protecting HAFA's potential proprietary position and permitting HAFA to insure the public documents are technically accurate and correct.
  6. Initial approval of proprietary treatment of a document is made by the President of the originating component, the one 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 President, Project Manager, and Principal Engineer or other equivalent authority, and by the Legal Staff for technical content, competitive effect and determination of the accuracy of the proprietary designation in accordance with the standards enumerated above. Disclosures outside HAFA 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 HAFA.
9. The information contained herein is the result of extensive developmental work performed at considerable cost to HAFA. The development and verification of production and testing methods, as well as their application and execution, cost in excess of \$800,000.00.

Public disclosure of the information sought to be withheld is likely to cause substantial harm to the competitive position of HAFA and deprive or reduce the availability of profit making opportunities by allowing competitors to take full advantage of the extensive development, testing, and reduction to practice that has been performed by HAFA without any cost to competitors. This information is unavailable to others and could only be obtained through a comparable development and testing program.

State of Florida  
Palm Beach County

Fay H. Askwith, being duly sworn, deposes and says:

That she has read the foregoing affidavit and the matters stated therein are true and correct to the best of her knowledge, information, and belief.

Executed in North Palm Beach, Florida this 3 day of April, 1985.

Fay H. Askwith

Subscribed and sworn before me this 3<sup>rd</sup> day of April, 1985.

Susan K. Scarsone  
NOTARY PUBLIC, STATE OF FLORIDA

Notary Public, State of Florida  
My Commission Expires July 10, 1987  
Bonded thru Troy Fair - Insurance, Inc.