



BWR Owners' Group
General Electric Company
175 Curtner Avenue, M/C 182, San Jose, CA 95125

OG99-462-073
November 12, 1999

US Nuclear Regulatory Commission
Document Control Desk
Washington, DC 20555-0001
ATTN: Robert M. Pulsifer (Mail Stop 13-D1)
Division of Licensing, Project Management

SUBJECT: NEDC-31951P, Supplement 1, April 1998

Attachment: Affidavit, George B. Stramback, dated November 11, 1999

This transmittal contains GE-NE proprietary information (three copies) which is provided under the GE-NE/BWR Owners' Group member utilities' proprietary information agreements. GE-NE customarily maintains this information in confidence and withholds it from public disclosure.

The attached affidavit identifies that the designated information has been handled and classified as proprietary to GE-NE. Along with the affidavit, this information is suitable for review by the NRC. GE-NE hereby requests that the designated information be withheld from public disclosure in accordance with the provisions of 10 CFR 2.790.

The attached proprietary information (Topical Report NEDC-31951P, Supplement 1) was previously provided to the NRC under a BWR Owners' Group transmittal letter (BWROG-98037, dated April 8, 1998) without an Affidavit. This was transmitted without Affidavit based on an assumption that this Supplement 1 proprietary information was equally protected under the previous Affidavit forwarded with the original Topical Report (1991). Recently, this assumption was discovered to be erroneous, and in response to a recent NRC request, this Affidavit, covering the Supplement 1 proprietary information, is hereby transmitted under this cover letter.

It is further requested that the earlier copies of NEDC-31951P, Supplement 1, transmitted to the Staff without Affidavit and containing no designated proprietary notations (i.e., side bars), be either (1) destroyed (with notification to GENE of such actions), or (2) returned to GENE.

If you have any questions regarding this Affidavit, please contact the undersigned.

Regards,

Wendell G. Fiock, Project Manager
BWROG Improved Water Chemistry Committee

cc: RA Horn, GENE
GB Stramback, GENE
L Loomis, Entergy-Pilgrim

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PDL TOPREP

General Electric Company

AFFIDAVIT

I, **George B. Stramback**, being duly sworn, depose and state as follows:

- (1) I am Project Manager, Regulatory Services, 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 report NEDC-31951P, *BWR Owners' Group Response to NRC Safety Evaluation of BWROG Topical Report, "Implementation of Improved Water Chemistry and Technical Basis for Revised Piping Inspection Schedules"*, Class III (GE Proprietary Information), dated April 1998. This information is delineated by bars marked in the margin adjacent to the specific material.
- (3) In making this application for withholding of proprietary information of which it is the 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., (4)b., (4)d. and (4)e., 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. 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. Its initial designation as proprietary information, and the subsequent steps taken to prevent its unauthorized disclosure, are as set forth in paragraphs (6) and (7) following.
- (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), above, is classified as proprietary because it would provide other parties, including competitors, with valuable plant and GE data and interpretive information regarding GE water chemistry program-based justification for requesting BWR inspection relief on recirculation system piping. A substantial effort has been expended by General Electric to develop this information in support of the BWR Owners' Group. The development and analysis was achieved at a significant cost, on the order of several million dollars, to GE
- (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 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 development of the expertise to determine and apply the appropriate evaluation process.

The research, development, engineering, and analytical costs comprise a substantial investment of time and money by GE.

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 of the opportunity to exercise its competitive advantage to seek an adequate return on its large investment in developing these very valuable analytical tools.

STATE OF CALIFORNIA)
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COUNTY OF SANTA CLARA) ss:

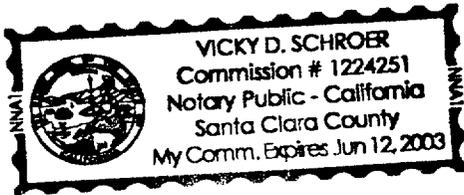
George B. Stramback, being duly sworn, deposes and says:

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 11th day of November 1999.

George B. Stramback
George B. Stramback
General Electric Company

Subscribed and sworn before me this 11th day of November 1999.



Vicky D. Schroer
Notary Public, State of California