



ATTORNEY GENERAL OF TEXAS
GREG ABBOTT

December 6, 2011

Ms. Tiffany Evans
Assistant City Attorney
City of Houston
P.O. Box 368
Houston, Texas 77001-0368

OR2011-17973

Dear Ms. Evans:

You ask whether certain information is subject to required public disclosure under the Public Information Act (the "Act"), chapter 552 of the Government Code. Your request was assigned ID#438226 (GC 18961).

The City of Houston (the "city") received a request for a copy of the bids submitted for the Electric Vehicle Supply Equipment Bid No. C23736. You state that, although the city takes no position with respect to the requested information, it may implicate the interests of third parties. Accordingly, you state, and provide documentation demonstrating, the city notified the third parties of the request for information and of their right to submit arguments stating why their information should not be released.¹ *See* Gov't Code § 552.305 (permitting interested third party to submit to attorney general reasons why requested information should not be released); Open Records Decision No. 542 (1990) (determining statutory predecessor to section 552.305 permits governmental body to rely on interested third party to raise and explain applicability of exception in certain circumstances). We have received comments from one of the third parties, ETEC. We have reviewed the submitted information and the comments submitted by ETEC.

An interested third party is allowed ten business days after the date of its receipt of the governmental body's notice under section 552.305(d) to submit its reasons, if any, as to why requested information relating to it should be withheld from disclosure. *See* Gov't Code

¹The third parties notified pursuant to section 552.305 are: Utility Partners of America ("UPA"); Pep Stations, LLC ("Pep"); Lane Valente Industries ("LVA"); EV-Charge America ("EVCA"); Electric Transportation Engineering Corporation d/b/a Ecotality ("ETEC"); Carerra Construction, Inc. ("Carerra"); and AeroVironment, Inc. ("AeroVironment").

§ 552.305(d)(2)(B). As of the date of this letter, this office has not received comments from UPA, Pep, LVA, EVCA, Carerra, or AeroVironment explaining why their information should not be released to the requestor. Thus, we have no basis to conclude that the release of any of the information at issue would implicate UPA's, Pep's, LVA's, EVCA's, Carerra's, or AeroVironment's interests. *See id.* § 552.110; Open Records Decision Nos. 661 at 5-6 (1999) (to prevent disclosure of commercial or financial information, party must show by specific factual evidence, not conclusory or generalized allegations, that release of requested information would cause that party substantial competitive harm), 552 at 5 (1990) (party must establish *prima facie* case that information is trade secret), 542 at 3. Accordingly, we conclude that the city may not withhold any of the information on the basis of any interest UPA, Pep, LVA, EVCA, Carerra, or AeroVironment may have in the information. We will consider the arguments submitted by ETEC for its information.

ETEC raises section 552.110 of the Government Code for the financial information included in its bid. Section 552.110 protects: (1) trade secrets, and (2) commercial or financial information, the disclosure of which would cause substantial competitive harm to the person from whom the information was obtained. Gov't Code § 552.110(a), (b). Section 552.110(a) protects the proprietary interests of private parties by excepting from disclosure trade secrets obtained from a person and privileged or confidential by statute or judicial decision. *Id.* § 552.110(a). A "trade secret" has been defined as the following:

A trade secret may consist of any formula, pattern, device or compilation of information which is used in one's business, and which gives [one] an opportunity to obtain an advantage over competitors who do not know or use it. It may be a formula for a chemical compound, a process of manufacturing, treating or preserving materials, a pattern for a machine or other device, or a list of customers. It differs from other secret information in a business . . . in that it is not simply information as to single or ephemeral events in the conduct of the business, as, for example the amount or other terms of a secret bid for a contract or the salary of certain employees A trade secret is a process or device for continuous use in the operation of the business. Generally it relates to the production of goods, as, for example, a machine or formula for the production of an article. It may, however, relate to the sale of goods or to other operations in the business, such as a code for determining discounts, rebates or other concessions in a price list or catalogue, or a list of specialized customers, or a method of bookkeeping or other office management.

RESTATEMENT OF TORTS § 757 cmt. b (1939) (citation omitted); *see also Hyde Corp. v. Huffines*, 314 S.W.2d 763, 776 (Tex. 1958); Open Records Decision Nos. 255 (1980), 232 (1979), 217 (1978).

In determining whether particular information constitutes a trade secret, this office considers the Restatement's definition of trade secret, as well as the Restatement's list of six trade

secret factors.² *See* RESTATEMENT OF TORTS § 757 cmt. b (1939). This office must accept a claim that information subject to the Act is excepted as a trade secret if a *prima facie* case for exemption is made and no argument is submitted that rebuts the claim as a matter of law. ORD 552 at 2. However, we cannot conclude that section 552.110(a) is applicable unless it has been shown that the information meets the definition of a trade secret and the necessary factors have been demonstrated to establish a trade secret claim. Open Records Decision No. 402 (1983).

Section 552.110(b) of the Government Code protects “[c]ommercial or financial information for which it is demonstrated based on specific factual evidence that disclosure would cause substantial competitive harm to the person from whom the information was obtained[.]” Gov’t Code § 552.110(b). This exception to disclosure requires a specific factual or evidentiary showing, not conclusory or generalized allegations, that substantial competitive injury would likely result from release of the information at issue. *Id.*; *see also* ORD 661 at 5-6 (to prevent disclosure of commercial or financial information, party must show by specific factual evidence, not conclusory or generalized allegations, that release of requested information would cause that party substantial competitive harm).

Upon review, we find that ETEC failed to establish a *prima facie* case that any of the submitted information meets the definition of a trade secret, nor has ETEC demonstrated the necessary factors to establish a trade secret claim. *See* RESTATEMENT OF TORTS § 757 cmt. b, ORD 402 (section 552.110(a) does not apply unless information meets definition of trade secret and necessary factors have been demonstrated to establish trade secret claim). We note pricing information pertaining to a particular proposal or contract is generally not a trade secret because it is “simply information as to single or ephemeral events in the conduct of the business,” rather than “a process or device for continuous use in the operation of the business.” *See* RESTATEMENT OF TORTS § 757 cmt. b (1939); *Huffines*, 314 S.W.2d at 776; Open Records Decision Nos. 319 at 3 (1982), 306 at 3 (1982). Upon further review, we find ETEC did not make the specific factual or evidentiary showing required by section 552.110(b) that any of the submitted information constitutes commercial or financial information, the release of which would cause it substantial competitive harm. *See* Open Records Decision Nos. 661 (for information to be withheld under commercial or financial information prong of section 552.110, business must show by specific factual evidence that

²There are six factors the Restatement gives as indicia of whether information qualifies as a trade secret:

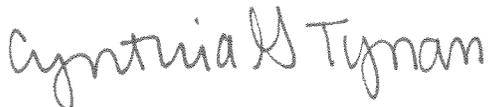
- (1) the extent to which the information is known outside of [the company’s] business;
- (2) the extent to which it is known by employees and others involved in [the company’s] business;
- (3) the extent of measures taken by [the company] to guard the secrecy of the information;
- (4) the value of the information to [the company] and to [its] competitors;
- (5) the amount of effort or money expended by [the company] in developing the information; and
- (6) the ease or difficulty with which the information could be properly acquired or duplicated by others.

substantial competitive injury would result from release of particular information at issue), 509 at 5 (because costs, bid specifications, and circumstances would change for future contracts, assertions that release of bid proposal might give competitor unfair advantage on future contracts was entirely too speculative), 319 at 3 (information relating to organization and personnel, professional references, market studies, qualifications, and pricing are not ordinarily excepted from disclosure under statutory predecessor to section 552.110). Additionally, we note that the pricing information of winning bidders, such as ETEC, is generally not excepted under section 552.110(b). This office considers the prices charged in government contract awards to be a matter of strong public interest. *See* Open Records Decision 514 (1988) (public has interest in knowing prices charged by government contractors). *See generally* Dep't of Justice Guide to the Freedom of Information Act 344-345 (2009) (federal cases applying analogous Freedom of Information Act reasoning that disclosure of prices charged government is a cost of doing business with government). Accordingly, the city may not withhold any of ETEC's information under section 552.110 of the Government Code. As no other exceptions are raised, the submitted information must be released.

This letter ruling is limited to the particular information at issue in this request and limited to the facts as presented to us; therefore, this ruling must not be relied upon as a previous determination regarding any other information or any other circumstances.

This ruling triggers important deadlines regarding the rights and responsibilities of the governmental body and of the requestor. For more information concerning those rights and responsibilities, please visit our website at http://www.oag.state.tx.us/open/index_orl.php, or call the Office of the Attorney General's Open Government Hotline, toll free, at (877) 673-6839. Questions concerning the allowable charges for providing public information under the Act must be directed to the Cost Rules Administrator of the Office of the Attorney General, toll free at (888) 672-6787.

Sincerely,



Cynthia G. Tynan
Assistant Attorney General
Open Records Division

CGT/em

Ref: ID#438226

Enc. Submitted documents

c: Requestor
(w/o enclosures)

Ms. Wendy L. Larchick
ECOality
430 South 2nd Avenue
Phoenix, Arizona 85003-2418
(w/o enclosures)

Mr. Michael Cale
Utility Partners of America
7600 Pelham Road
Greenville, South Carolina 29615
(w/o enclosures)

Mr. James Blain
Pep Stations, LLC
39209 Six Mile Road, Suite 111
Livonia, Michigan 48152
(w/o enclosures)

Mr. Tom Bennett
Lane Valente Industries
20 Keyland Court
Bohemia, New York 11716
(w/o enclosures)

Mr. Bob Rosinski
EV-Charge America
7770 Duneville Street, Suite 7
Las Vegas, Nevada 89139
(w/o enclosures)

Ms. Kristen A. Helsel
AeroVironment, Inc.
181 West Huntington Drive, Suite 202
Monrovia, California 91016
(w/o enclosures)

Mr. Ali Matamedi
Carrera Construction, Inc.
5701 Winsome Lane, Suite 13
Houston, Texas 77057
(w/o enclosures)