



Westinghouse

Charles W. Pryor, Jr.
President and
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June 13, 2002

Mr. Richard A. Meserve
Chairman
U.S. Nuclear Regulatory Commission
Washington, DC 20555

Dear Mr. Meserve:

As indicated in the following press release, BNFL Chief Executive Norman Askew has announced executive leadership changes taking place as part of the BNFL group's restructuring. I am excited about the opportunity Norman has given me to lead the BNFL Nuclear Utilities Business Group. My primary focus will be to ensure that we better align the priorities of all our nuclear utility businesses with the needs and expectations of our worldwide customers. I will be located at BNFL's head office in Cheshire.

The businesses comprising the Nuclear Utilities Business Group are Westinghouse Electric Company, the commercial operations of Spent Fuel Management and MOX Fuel, and the related international transport business.

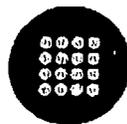
My successor at Westinghouse, Steve Tritch has progressed through a variety of leadership roles in his Westinghouse career that spans more than 30 years. Most recently he served as senior vice president of Nuclear Fuel.

I am confident that Steve has the right vision and experience to lead Westinghouse as it continues to evolve into the worldwide supplier of choice for nuclear technology. I am equally confident that Steve and his staff are fully committed to respond to your needs and expectations with quality products and services whose value is clearly recognized.

Replacing Steve at Nuclear Fuel is Mike Saunders, currently vice president, European Operations for the Nuclear Fuel business, headquartered in Springfields, UK. Mike will be relocating to Pittsburgh, where his global insights will add a new dimension to the Westinghouse executive staff.

In my new role, I will work closely with Steve and his staff and will have the opportunity to continue my direct involvement with many aspects of the nuclear industry. In doing so, I look forward to our continued close relationship as we further the future of nuclear power.

Sincerely,

**BNFL****British Nuclear Fuels plc**

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News Release

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13 June 2002

Charlie Pryor to Lead New Arm of Restructured BNFL

BNFL today announced a high level re-structuring of the company as part of its long-term business strategy.

BNFL's Chief Executive Norman Askew said: "In order to align our businesses with our main customers, BNFL will be structured into two business groups. A Nuclear Utilities Business Group will serve our nuclear utilities customers and a Government Services Business Group will meet the needs of our other main customer group, governments across the world.

"Our key asset is the workforce and their unique nuclear technical, scientific and engineering knowledge base. This core expertise will be leveraged to enable BNFL to best serve its broad customer base. It will ensure that BNFL responds to the Government's increasing focus on the discharge of historic nuclear liabilities in the UK and prepare the Company for the establishment of the Liabilities Management Authority," he added.

Charlie Pryor, currently CEO and President of BNFL subsidiary Westinghouse, will move to the UK to head the newly created Nuclear Utilities Business Group, bringing with him a wealth of international and customer focused experience.

The Nuclear Utilities Business Group will include the global fuel manufacturing and reactor services business (Westinghouse Electric Company) and will provide commercial management of reprocessing and MOX fuel fabrication contracts executed at Sellafield, along with international and marine transport services for the movement of spent fuel and MOX.

"The Nuclear Utilities Business Group will serve our nuclear utilities customers and will therefore be key to BNFL's future success. Frankly I can't think of a better person than Charlie to head it up. His track record is exemplary, his vast experience and knowledge of the industry is widely respected. He's just the person we need to help drive the strategy down through the business," Askew concluded.

The Government Services Business Group will serve its group of customers worldwide and will rise to meet the commercial challenges that the restructuring of the UK's civil public sector nuclear industry will bring to BNFL. The group will consist of the current Magnox Generation, Environmental Services and Sellafield M&O Services. The head of the Government Services Business Group will be appointed from outside BNFL and the search is currently underway. Brian Watson, Director of Sellafield site, joins BNFL's Executive team.

In preparation for the creation, by government, of a Liabilities Management Authority BNFL will place a greater focus on the management and remediation of the nuclear legacy with increased commercial discipline.

"Winning competitive Management and Operations (M&O) contracts for sites such as Sellafield will be dependent on demonstrating operational excellence. I am confident that we will be able to demonstrate this," said Norman Askew.

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