February 11, 2005

Mr. Alan Hanson,
President and CEO
Transnuclear, Inc.
Four Skyline Drive
Hawthorne, NY 10532

SUBJECT: DISCUSSION OF SECURITY ASSESSMENTS

Dear Mr. Hanson:

In accordance with the Atomic Energy Act of 1954, as amended, and 10 CFR Part 72, Transnuclear, Inc. (TN or the vendor) holds Certificate of Compliance No. 1004 for the Model No. NUHOMS®-32PT storage cask and Certificate of Compliance No. 1027 for the Model No. TN-68 storage cask. In a phone call on January 27, 2005, TN agreed to meet with the U.S. Nuclear Regulatory Commission (NRC) staff with safeguards security measures in place. The purpose of the meeting(s) is to discuss the NRC's engineering evaluations performed to evaluate the safety and security of an array of NUHOMS and TN-68 storage casks. The meeting(s) will be closed to the public.

To facilitate your participation in the upcoming meeting(s), the NRC must authorize the appropriate personnel at your company to receive the information, which the NRC will designate as Safeguards Information under Section 147 of the Atomic Energy Act of 1954, as amended (Enclosure 1). Each licensee who receives Safeguards Information must protect it from disclosure to unauthorized individuals.

Enclosed are NUREG-0794, "Protection of Unclassified Safeguards Information," (Enclosure 2) and Regulatory Issues Summary 2003-08, "Protection of Safeguards Information from Unauthorized Disclosure," (Enclosure 3), which describes what you must do to protect Safeguards Information. Please respond no later than 7 days from the date of this letter, with the names of no more than four individuals who will be initially granted NRC authorization to view, discuss, and receive Safeguards Information. These individuals must have a "need to know" the information and be trustworthy and reliable. Not everyone who may in the future have a need to access Safeguards Information needs to be authorized at this time. There will be a process to allow you to authorize other individuals to have access to Safeguards Information. At this time, the NRC needs to authorize a few key individuals, who will be responsible for evaluating the engineering and consequence calculations performed for your storage casks, to access Safeguards Information.

Please provide the following information:

1. full name of each individual to be granted initial access authorization for Safeguards Information,

2. position or title,

3. your basis for determining each individual listed has an established need-to-know,

4. your basis for determining each individual to be reliable and trustworthy, and

5. an affirmation that you have the appropriate capability, as described in Enclosure 2, to protect Safeguards Information.

The determination in number 3 above should be based upon the nature of the individual's position and duties. The determination in number 4 above should be based upon the length of an individual's employment and other pertinent factors you have considered.

Please formally respond on or before 7 days from the date of this letter to:

Director, Spent Fuel Project Office
Office of Nuclear Material Safety
and Safeguards
Mail Stop O-13D13
Washington, D.C. 20555

Also transmit your response by fax to 301-415-8555, ATTN: Bernard White or by e-mail to bhw@nrc.gov.

Based on your response, we will send you a letter that grants your designated personnel initial authorization access to Safeguards Information and forwards the draft additional security measures and implementing guidance for you to review. At the same time we will issue an Order that will require you to protect Safeguards Information in accordance with Enclosure 2. Only individuals that have been authorized access to Safeguards Information will be authorized to attend the meeting.

If you have any questions about this letter please contact Bernard White, of my staff, at 301-415-8515 or by e-mail to bhw@nrc.gov.

Sincerely,

/RA/

E. William Brach, Director
Spent Fuel Project Office
Office of Nuclear Material
Safety and Safeguards

Docket Nos.: 72-1027, 72-1004

Enclosures:
1. Safeguards Information
   Section 147 of the Atomic Energy Act of 1954, as amended
2. NUREG-0794, "Protection of Unclassified
   Safeguards Information"
3. Regulatory Issues Summary 2003-08, "Protection
   of Safeguards Information from Unauthorized Disclosure"

4. your basis for determining each individual to be reliable and trustworthy, and

5. an affirmation that you have the appropriate capability, as described in Enclosure 2, to protect Safeguards Information.

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cc w/o enclosures: SECY OGC OCA OPA CFO
DISTRIBUTION: NON-Public VPerin/RES DTiktinsky/NMSS NMSS r/f
NMSS Dir. Off. r/f BFleming PTressler EDO r/f SFPO r/f SECY
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NAME:	BHWhite		ERZiegler		LLCampbell		MWHodges		JRGoldberg		GMTracy		EWBrach	
DATE:	2 / 3 /05		2 / 3 /05		2 / 3 /05		2 / 8 /05		2 / 4 /05		2 / 9 /05		2 / 11 /05	

C = COVER E = COVER & ENCLOSURE N = NO COPY OFFICIAL RECORD COPY