

March 3, 2005

Mr. Robert D. Quinn
President and CEO
BNFL Fuel Solutions Corporation
2105 S. Bascom Ave., Suite 160
Campbell, CA 95008

SUBJECT: ISSUANCE OF ORDER TO REQUIRE PROTECTION OF SAFEGUARDS
INFORMATION RELATED TO SECURITY ASSESSMENT REVIEW

Dear Mr. Quinn:

The U.S. Nuclear Regulatory Commission (NRC) has issued the enclosed Order requiring you to implement specific requirements to ensure proper handling and protection of safeguards information (SGI) to avoid unauthorized disclosure. The Order contains requirements that Part 72 Certificate of Compliance holders must implement beyond those currently required by NRC. You must respond to this Order by filing a written answer under oath or affirmation, consenting to the Order or providing the reasons why you believe the Order should not have been issued. The NRC has taken this action because it intends to meet with you and representatives of BNFL to discuss the engineering evaluations that the NRC has performed on VSC-24 storage casks for our security assessments.

Under Section 147 of the Atomic Energy Act of 1954, as amended, the Commission has authority to "issue such orders, as necessary to prohibit the unauthorized disclosure of safeguards information...". Unauthorized disclosure of SGI may result in civil and criminal penalties. The Order you are receiving directs you to protect information that you obtain at the security assessment meeting(s) with the NRC from unauthorized disclosure in accordance with 10 CFR Part 73.

If you have any questions about this letter or the attached Order, please contact Cynthia Barr (301-415-4015) or Bernard White (301-415-8515), of my staff.

Sincerely,
/RA/
Margaret V. Federline, Deputy Director
Office of Nuclear Material
Safety and Safeguards

Docket No.: 72-1007

Enclosure: Order Imposing Requirements for the Protection of Certain Safeguards Information

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