

September 15, 2006

Mr. B. G. Holmes, Manager
Environment, Health & Safety
Westinghouse Electric Company LLC
P. O. Box 355
Pittsburgh, PA 15230-0355

SUBJECT: U.S. NUCLEAR REGULATORY COMMISSION'S CONSENT TO INDIRECT CHANGE OF CONTROL WITH RESPECT TO MATERIALS LICENSES, QUALITY ASSURANCE PROGRAM APPROVALS, AND CERTIFICATES OF COMPLIANCE (TAC L31948)

Dear Mr. Holmes:

We have reviewed your application for consent to indirect change of control with respect to materials licenses, quality assurance program approvals, and certificates of compliance, dated April 21, 2006, and signed by F. Ramsey Coates, Senior Vice President and General Counsel, Westinghouse Electric Company LLC. This application for consent was supplemented by additional information dated June 19, 2006; an updated cost estimate for SNM-1107 dated July 13, 2006; changes in financial assurance amounts for Westinghouse licenses SNM-770, SNM-1107, and SNM-1460, transmitted by letter dated August 14, 2006; additional information dated August 16, 2006; a notice regarding the indirect change of control with respect to 10 CFR Part 110 export licenses dated September 5, 2006; and a further change in financial assurance amounts for Westinghouse license numbers SNM-33 and SNM-1107, also dated September 5, 2006.

In accordance with 10 CFR Part 2, Subpart M, we placed a notice of receipt of your application on the U.S. Nuclear Regulatory Commission (NRC) web site at <http://www.nrc.gov>. We also published a notice of consideration of request for consent to transfer of materials licenses in the *Federal Register* (71 FR 36833-36834, June 28, 2006), and offered an opportunity to provide comments and to request a hearing with respect to licenses SNM-33 and SNM-1107. No comments or requests for hearing were received.

We understand that there will be no change to Westinghouse's operations, corporate structure, key operating personnel or licensed activities as a result of the indirect change of control. Westinghouse will continue to be the holder of the licenses, approvals, and certificates listed in Appendix A to the application for consent. No amendments to the licenses, approvals, and certificates are necessary in connection with the indirect change of control. Toshiba will maintain control of Westinghouse at all times after the closing through its ownership of at least 51% of a newly-created intermediate holding company called Toshiba Nuclear Energy Holdings (USA).

In accordance with the provisions of 10 CFR 70.36, we have determined that Westinghouse has provided full information related to the request for consent to indirect transfer of control, and hereby gives NRC consent to the transfer. NRC has concluded that the transfer of control

of the licenses, approvals, and certificates is in accordance with the provisions of Sections 57c, 63b, and 82c of the Atomic Energy Act, and hereby finds that consenting to the change of control is not inimical to the common defense and security, and does not constitute unreasonable risk to the health and safety of the public. The basis for our determination is discussed in the enclosure to this letter.

If you have questions concerning this letter, please contact Mary Adams, who can be reached at (301) 415-7249, or via e-mail, to MTA@nrc.gov.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Sincerely,

/RA/

Gary S. Janosko, Chief
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No.: 70-1151	Docket No.: 71-0708
License No.: SNM-1107	Docket No.: 71-0090
	Docket No.: 71-6400
Docket No.: 70-1503	Docket No.: 71-9239
License No.: SNM-1460	Docket No.: 71-6078
	Docket No.: 71-9272
Docket No.: 70-698	Docket No.: 71-9274
License No.: SNM-770	Docket No.: 71-9292
	Docket No.: 71-9297
Docket No.: 70-36	
License No.: SNM-33	

Enclosure:
Basis for NRC Consent to Indirect
Change of Control with Respect to Materials
Licenses, Quality Assurance Program Approvals,
and Certificates of Compliance (TAC L31948)

cc: Lisa Campagna, Esq.
Barton Z. Cowan, Esq.
Mark D. Herlach, Esq.
William R. Holloway
Robert W. Warnemant

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