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To: <BWM@nrc.gov>, <BGH1@nrc.gov>  
Date: Mon, May 22, 2006 2:12 PM  
Subject: IAEA May Inspection Update

Gentlemen -

All went well for the May IAEA inspection. All activities planned were accomplished. Details follow:

1. IAEA entered and retrieved data without problems. They were in the area about 2.5 hours. Since the replacement of the hub, there have been no UEM computer communications problems. All lights have remained green.
2. Declaration disk is on its way to you effective this afternoon. Tracking number is EV 619928694 US.

(b)(4) EX4  
2/4

4. Seo asked if BWXT would resend some of the September / October declaration files. They had accidentally deleted them and would need them to review this material balance period. I asked him to e-mail me a list of the files, batches, or dates they were missing and that I would send them via the normal channels. He was relieved. I will forward you a copy of the request when it comes in.

5. Downblend is still planning on finishing the last formal blend the week of June 12. Seo stated that they were still planning for same time in June and that he would be coming instead of Jerry. That may be a good thing because we had the opportunity to go over the entire closeout with one of the inspectors that will be there. (b)(4)

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EX4

7. The IAEA also agreed to the main ideas on the proposals for shutting down their equipment.

(b)(4) EX4

(b)(4) A final equipment and seal inventory will be conducted. They agreed to bring a

B/26

full list of attached seals to help ensure we cut them all (b)(4)

(b)(4)

(b)(4) All their equipment will be switched off and unplugged.

8. No new word on the contract. Letter announcing the RFP should be out "soon". It is our estimate that the earliest we would restart, after contract award, would be early 2007. More probable date may be May 2007.

(b)(4)

EX. 4

10. Wertz has a copy of the latest mass balance charts. Let me know if you need us to fax you a copy.

(b)(4)

EX. 4

These are the highlights. If you have any questions, please give me a call.

Don Cutchins