

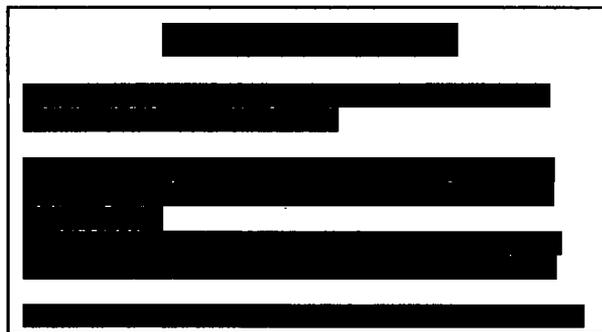
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October 29, 2004

Ms. Leah R. Morrell
Licensing Officer
BWX Technologies, Inc.
Nuclear Products Division
P.O. Box 785
Lynchburg, VA 24505-0785

SUBJECT: BWX TECHNOLOGIES, INC., ADMINISTRATIVE CHANGE TO MATERIALS LICENSE SNM-42 - REVISION OF PHYSICAL PROTECTION PLAN, SAFEGUARDS CONTINGENCY PLAN, AND TRAINING QUALIFICATION AND EQUIPMENT PLAN

Dear Ms. Morrell:

By letter dated April 29, 2004, BWX Technologies, Inc., (BWXT) submitted a response in accordance with Order EA-03-087, requiring compliance with the revised "Design Basis Threat for Category I Fuel Facilities," dated April 29, 2003 (DBT Order). Section III.A of the DBT Order requires licensees to revise their Physical Protection Plan (PPP), Training and Qualifications Plan (TQP), and Safeguards Contingency Plan (SCP) to provide protection against the revised DBT set forth in Attachment 1 to the Order. In accordance with your submittals dated April 29, September 3, October 13, and October 26, 2004, and pursuant to Part 70 of Title 10 of the *Code of Federal Regulations* (CFR), an administrative change to Materials License SNM-42 is being made to incorporate the revised PPP, Revision 4, dated April 29, 2004, TQP (referred to by BWXT as the Security Training, Qualification, & Equipment Plan), Revision 11, dated April 29, 2004, and SCP, Revision 2, dated April 29, 2004.



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The Nuclear Regulatory Commission (NRC or Commission) staff has determined that subject to subsequent inspection and evaluation; these plans contain the necessary programmatic elements that, when effectively implemented, will provide the required high assurance that BWXT will be protected against the revised DBT. The effectiveness of these plans will be judged, in part, on BWXT's ability to meet regulatory requirements through implementing procedures and site practices. As such, those procedures and practices will continue to be subject to future NRC review and inspection, including NRC-conducted force-on-force exercises.

The NRC staff noted that your PPP, TQP, and/or SCP included alternatives to certain requirements of 10 CFR 73.46. In each case, pursuant to 10 CFR 73.46(a), the NRC staff found that the alternate measures provide an overall level of performance to meet the general performance objective and requirements of 10 CFR 73.20 and the performance capability requirements of 10 CFR 73.45.

The existing Safeguards License Conditions SG-6.1, 6.2, and 6.3 in Materials License SNM-42 have been revised to update the requested revisions as follows:

- SG-6.1 The licensee shall follow the measures described in the physical protection plan titled, "BWX Technologies, Inc. Nuclear Products Division, Physical Protection Plan," Revision 4, dated April 29, 2004, as submitted October 13, 2004, and security procedures that are used to comply with the plan as it may be further revised in accordance with the provisions of 10 CFR 70.32(e).
- SG-6.2 The licensee shall follow the measures described in the "BWX Technologies, Nuclear Products Division Security Training, Qualification, & Equipment Plan," Revision 11, dated April 29, 2004, as submitted October 13, 2004, and as it may be further revised in accordance with the provisions of 10 CFR 70.32(e).
- SG-6.3 The licensee shall follow the measures described in the "BWX Technologies Nuclear Products Division Safeguards Contingency Plan," Revision 2, dated April 29, 2004, as submitted October 13, 2004, and as it may be further revised in accordance with the provisions of 10 CFR 70.32(g).

Please note that as discussed with Charlotte Carr, et. al., by telephone conference call on October 15, 2004, SG-6.4, that discusses grandfathering and personnel with pending security access authorization upgraded is no longer necessary, and has been deleted.

All other conditions of this license shall remain the same. The issuance of this administrative change to Materials License SNM-42 is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied. Enclosed are copies of the revised Materials License SNM-42 and the Safeguards Evaluation Report (SER).

L. Morrell

3

If you have any questions concerning this letter, please contact Billy Gleaves of my staff by phone at (301) 415-5848 or via email to bcg@nrc.gov.

This letter contains sensitive, unclassified information. Therefore, it will not be placed in the Public Document Room nor the Publicly Available Records (PARS) component of the NRC's document system (ADAMS).

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.: 70-27
License No.: SNM-42
Amendment 110

Enclosures: 1. Materials License SNM-42
2. Safeguards Evaluation Report

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