

January 11, 2008
08-005

Director
Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555

References:

- (1) Letter dated November 14, 2007, Morrell (BWXT) to Director, NMSS (NRC), Notification of Company Name Change and Request to Revise Chapters 1 through 7, 10, and 11 of License Application SNM-42
- (2) Letter dated December 10, 2007, Cole (BWXT) to Director, NMSS (NRC), Reply to the Request for Additional Information In Regards to the BWX Technologies, Inc. SNM-42 License Amendment Request of November 14, 2007 (TAC L32657)
- (3) Letter dated January 7, 2008, Cole (BWXT) to Director, NMSS (NRC), Request for Transfer of Control for License SNM-42 and Request for Exemption from 10CFR25 (f) (TAC L32657)
- (4) Letter dated January 7, 2008, Cole (BWXT) to Director, NMSS (NRC), Submittal of Financial Information for Babcock and Wilcox Nuclear Operations Group, Inc. (TAC L32657)

Subject: Supplemental Information for BWXT's January 7, 2008, Request for Transfer of Control for License SNM-42 and Request for Exemption from 10CFR25 (f) (TAC L32657)

Gentlemen:

At this time, BWX Technologies, Inc. (BWXT) is providing additional information to supplement References (1) and (3), concerning the restructuring of BWXT Nuclear Operations Division and the request to transfer control of License SNM-42 from BWXT to Babcock & Wilcox Nuclear Operations Group, Inc. (B&W NOG).

This supplemental information is being provided based on recent discussions with NRC staff, and also for clarification and correction of previous correspondence with the NRC.

Corrections to Reference (3)

Reference (3) stated that "BWXT will provide a copy of the draft Standby Trust Agreement, which will reflect the new company name, under a separate submittal." BWXT is providing as an **enclosure** to this letter, a copy of a signed request for amendment to the current Standby Trust Agreement.

Reference (3) stated that "BWXT respectfully requests that the NRC consent to the transfer of License No. SNM-42 to BWXT on or before January 30, 2008, the date of the impending restructuring." The correct statement is that BWXT respectfully requests that the NRC consent to the transfer of License No. SNM-42 to B&W NOG on or before January 30, 2008, the date of the impending restructuring.

General Clarification

B&W NOG is an incorporated entity. Transfer of assets and License No. SNM-42 to B&W NOG is pending NRC consent to the transfer of License No. SNM-42 to B&W NOG.

NMSS01

Supplemental Information

In addition to the information provided in References (1) and (3), BWXT is providing additional confirmation that financial assurance for decommissioning costs associated with licensed activity at the BWXT facility will remain intact. The arrangements by which BWXT provided financial assurance for decommissioning funding for its NOD Lynchburg facility included a U.S. DOE contractual guarantee, a Letter of Credit (LOC) and Standby Trust Agreement (STA). Amendment to the U.S. DOE contractual guarantee and a signed request to Calyon bank for amendment to the current LOC were provided as enclosures to Reference (3). **Enclosed** with this letter is a signed request for amendment to the current STA. The LOC amendment request has been forwarded to Calyon bank, and the STA amendment request has been forwarded to Citibank. Once these amendments are executed by these banks, executed copies will be forwarded to the NRC. The STA and LOC amendments ensure that BWXT is the responsible party for the financial assurance from now until the restructuring of B&W NOG occurs. Once the restructuring is completed, then B&W NOG becomes the primary responsible entity and BWXT becomes a secondary responsible party in the event B&W NOG is unable to fulfill its obligations.

The proposed restructuring and transfer is consistent with the requirements set forth in the AEA and NRC regulations and will not be inimical to the common defense and security or constitute an unreasonable risk to the public health and safety.

Accordingly, BWXT respectfully requests that NRC consent to the transfer of License No. SNM-42 to B&W NOG on or before January 30, 2008, the date of the impending restructuring.

Should additional information be needed to support NRC's review of this matter, please contact me at (434) 522-5665. For legal contact information for the Federal Register Notice, please contact:

Beth Colling, Managing Attorney
BWXT Technologies, Inc., MC-57
2016 Mt. Athos Rd.
Lynchburg, VA 24504-5447
(434) 522-5641

Thank you very much for your consideration.

Sincerely,



Barry L. Cole
Manager, Licensing & Safety Analysis
(Licensing Officer)

Enclosure

c: U.S. NRC Region II
NRC, Resident Inspector
NRC, Amy Snyder

ENCLOSURE



BWX Technologies, Inc.

Reply To: Treasury Department
McDermott International, Inc.
777 N. Eldridge Pkwy.
Houston, TX 77079-4526

P.O. Box 218369
Houston, TX 77218-8748
(281) 870-5830
(281) 870-5828 Fax

January 11, 2008

Barbara E. Bennett
Vice President
Citibank, N.A.
Global Transaction Services
388 Greenwich Street, 14th Fl.
New York, N.Y. 10013

Re: Standby Trust Agreement, 1 July 1997, BWX Technologies, Inc. and Citibank, N.A.

Dear Ms. Bennett:

As discussed, please ask your in-house counsel to prepare an amendment to the referenced Agreement that can be signed by all three parties in counterpart in accordance with Section 14 therein.

Requested changes are as follows:

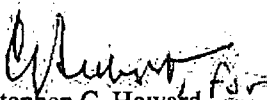
In the first paragraph, line two, after "BWX Technologies, Inc. a Delaware corporation," the following:

"for and on behalf of Babcock & Wilcox Nuclear Operations Group, Inc.,"...

ALL OTHER TERMS AND CONDITIONS OF THE STANDBY TRUIST AGREEMENT REMAIN UNCHANGED.

Sincerely,

BWX TECHNOLOGIES, INC.


Stephen C. Howard
Assistant Treasurer