

March 19, 2008

Mr. Barry Cole
Licensing Officer
BWX Technologies, Inc.
1570 Mt. Athos Rd - Rte 726
P.O. Box 785
Lynchburg, VA 24505-0785

SUBJECT: ACCEPTANCE OF BWX TECHNOLOGIES, INC.'S LICENSE APPLICATION
FOR TRANSFER OF CONTROL (TAC L32657)

Dear Mr. Cole:

To date, the U.S. Nuclear Regulatory Commission (NRC) has received BWX Technologies, Inc.'s (BWXT's) application for the transfer of control of Materials License No. SNM-42, consisting of letters dated November 14, and December 10, 2007, January 7 (two letters), January 11, February 15, and February 29, 2008, and e-mails dated December 12 (three e-mails), and December 13 (two e-mails), 2007, and January 9, and January 14, 2008.

The staff has completed its acceptance review of your application and has identified some technical deficiencies. However, the staff has decided to accept your application for the NRC's formal technical review and address the deficiencies under the NRC's request for additional information (RAI) process. Please note that the complete technical review may identify omissions in the submittal information or additional technical issues which will require additional information.

You will receive a RAI regarding the area of financial assurance within 30 days from the date of this letter. In addition, as noted in the minutes of the NRC meeting with BWXT on December 17, 2007 (ML080090688), regarding this subject, the staff informed BWXT that additional licensing requests, through the Office of Nuclear Material Safety and Safeguards' Division of Spent Fuel Storage and Transportation (SFST), regarding the existing certificates of compliances (CoCs), are required. On January 25, and February 15, 2008, BWXT submitted CoC renewal applications for CoC 71-9280 and CoC 71-9250, respectively. Although these CoCs are in timely renewal, in accordance with 10 CFR 71.38, neither requests a name change or transfer of control.

Upon further examination, SFST staff recently identified a total of nine CoCs, of which BWXT is the primary user, and 19 CoCs, of which BWXT is the secondary user. As staff has previously discussed with BWXT, the NRC cannot transfer the control of the Part 70 license until all other licensing actions, including those related to all CoCs, have been satisfactorily addressed. The transfer of control of the Part 70 license, and all other licensing actions, must occur in parallel. For each CoC, BWXT must identify the new proposed holder of the CoC and provide a statement to SFST as to whether the current quality assurance program will change, and if so, how.

The NRC received BWXT's February 29, 2008 reply (ML080640268) to our letter dated February 1, 2008 (ML080150394), regarding the partial denial of BWXT's claim of privilege for portions of the November 14, 2007, application. The NRC is in the process of evaluating your response and will make a final determination by March 31, 2008, as to whether your reply provides the justification required by 10 CFR 2.390, to support your request.

The NRC will start the technical review of your application for transfer of control, but there are additional actions that must be addressed before we can complete this licensing action. They are summarized as follows: 1) the staff's final decision with regard to the 10 CFR 2.390 issue, as noted above; 2) once the 10 CFR 2.390 issue is resolved, the staff's issuance of a Federal Register Notice providing the public with a 20-day opportunity to request hearing, as explained at the December 17, 2007, meeting between the NRC and BWXT; 3) the staff's issuance of RAIs regarding financial assurance, as noted above; 4) BWXT's response to the financial assurance RAIs (within 30 days of issuance of the RAI); 5) BWXT's submittal of all licensing action updates, to include the CoCs, as noted above (depending upon when BWXT chooses to respond); 6) the staff's completion of all safety evaluation reports and environmental assessments (after all issues are resolved); and finally 7) the staff's completion of the associated final draft of the Order authorizing the transfer of control in parallel with the transfer of the CoCs. This will then be followed by an amendment to Materials License No. SNM-42 and an update of all applicable CoCs.

Based on our acceptance review and projection of current review schedules, we anticipate completing the technical review of the Transfer of Control of Materials License No. SNM-42 by August 2008, provided that the staff receives, in a timely manner and of high quality, the RAI responses and the CoC information. This date could change depending on the findings of our technical review, urgent assignments, or other factors. We will promptly communicate any significant changes to this schedule.

If you have any questions regarding this letter, please contact me at 301-492-3225 or via e-mail to ams3@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/

Amy M. Snyder, Senior Project Manager
Fuel Facilities Licensing Directorate
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No.: 70-27
License No.: SNM-42

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Sincerely,

/RA/
Amy M. Snyder, Senior Project Manager
Fuel Facilities Licensing Directorate
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No.: 70-27
License No.: SNM-42

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