

**Amy Snyder - RE: From what I understand:**

**From:** "Morrell, Leah R." [REDACTED]  
**To:** "Amy Snyder" <AMS3@nrc.gov>, "Cole, Barry L." [REDACTED]  
**Date:** 12/12/2007 3:04 PM  
**Subject:** RE: From what I understand:  
**CC:** "Colling, M. B. (Beth)" [REDACTED], "Yates, Carl R." [REDACTED], "Ward, David C." [REDACTED], "Cole, Barry L." [REDACTED]

Amy,

Please see comments (in blue).

Leah

From what I understand:

#### Summary of Corporate Actions

As detailed in licensee's December 10, 2007, letter, and December 12, 2007 e-mail, The Babcock & Wilcox Companies (formerly BWICO) is comprised of three incorporated entities, The Babcock & Wilcox Company, Commercial Nuclear, Inc., and BWX Technologies, Inc.

Currently, BWX Technologies, Inc., one of the three incorporated entities, has two main entities reporting to it: BWXT Services, Inc., which is the M&O services provider for BWXT, (including BWXT Pantex, LLC and BWXT Y-12, LLC) and BWXT Nuclear Operations Division (NOD). While legally Marine Mechanical Corporation is a wholly-owned subsidiary of BWXT, functionally it reports in to NOD. NOD is not a separate incorporated company; rather, it is a division of BWX Technologies, Inc. More specifically, BWXT Nuclear Operations Division (recognized by NRC as BWXT Nuclear Products Division or the licensee and often referred to as "BWXT" in licensing documents) is a division of BWX Technologies and is part of the parent company.

Currently, BWX Technologies, Inc. provides the parent company guarantee assuring the funding of BWXT Nuclear Operations Division's (recognized by NRC as BWXT Nuclear Products Division or the licensee or "BWXT" in licensing documents) decommissioning activities in accordance with 10 CFR Part 70 requirements. In this regard, BWX Technologies, Inc., will maintain the present \$XXXXX guaranteed decommissioning costs for SNM-042.

Under the proposed new organizational structure, BWX Technologies, Inc. shall continue to exist as the direct parent company of both BWXT Services, Inc. and the licensee (BWXT NOD). In the new structure, BWXT- Nuclear Operations Division will be legally restructured to become Babcock & Wilcox Nuclear Operations Group, Inc. (B&W NOG). There will be no change in personnel or activities associated with this restructuring. This new successor incorporated company (B&W NOG) will be the licensee for SNM-42 and BWXT Technologies, Inc. will be its parent company responsible for financial holdings and NRC financial assurances.

Marine Mechanical Corporation currently is a subsidiary of BWX Technologies, Inc. In the proposed organizational structure, it would no longer be a subsidiary of BWXT Technologies, Inc., rather it will be restructured and all assets moved to B&W NOG, where it will become the fourth plant under NOG (formerly Nuclear Operations Division). Activities under SNM-42 are not associated with the Marine Mechanical Corporation.

In addition, the Babcock & Wilcox Nuclear Operations Group Lynchburg, Virginia (formerly NOD-L) appears on the lower organization tier under Babcock & Wilcox Nuclear Operations Group, Inc, along with other Babcock & Wilcox Nuclear Operations Group plants (Barberton, Ohio, Mt. Vernon, Indiana, and Euclid, Ohio) to show the number of plants that the Babcock & Wilcox Nuclear Operations Group, Inc., will have under it. The only plant that is associated with SNM-42 is the Babcock & Wilcox

Nuclear Operations Group Lynchburg, Virginia Plant.

The Lynchburg Technology Center is part of SNM-42 and is part of BWXT Services, Inc. Under the proposed organization structure, BWXT Services, Inc. will change its name to B&W Technical Services, Inc. Unlike BWXT NOD, there is no legal restructuring associated with this change.

Chapter 10 of SNM-42 discusses the decommissioning funding for SNM-42. Page 10-6 provides details of the decommissioning funding covering the Lynchburg Technology Center and the BWX Technologies, Nuclear Operations Division (recognized by NRC as BWXT Nuclear Products Division).

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**From:** Amy Snyder [mailto:AMS3@nrc.gov]  
**Sent:** Wednesday, December 12, 2007 1:29 PM  
**To:** Cole, Barry L.; Morrell, Leah R.  
**Subject:** From what I understand:  
**Importance:** High

From what I understand:

#### Summary of Corporate Actions

As detailed in licensee's December 10, 2007, letter, and December 12, 2007 e-mail, The Babcock & Wilcox Companies or BWICO is comprised of three incorporated entities, The Babcock & Wilcox Company, Commercial Nuclear, Inc., and BWX Technologies, Inc.

Currently, BWX Technologies, Inc., one of the three incorporate entities, has two main entities reporting to it: BWXT Services, Inc., which is the M&O services provider for BWXT, including BWXT Pantex, LLC and BWXT Y-12, LLC) and Marine Mechanical Corporation. Nuclear Operations Division is not a separate company; rather, it is a division of BWX Technologies, Inc. More specifically, BWXT Nuclear- Operations Division (recognized by NRC as BWXT Nuclear Products Division or the licensee and often referred to as "BWXT" in licensing documents) is a division of BWX Technologies and it is part of the parent company.

Currently, BWX Technologies, Inc, provides the parent company guarantee assuring the funding of BWXT Nuclear - Operations Division's (recognized by NRC as BWXT Nuclear - Products Division or the licensee or "BWXT" in licensing documents) decommissioning activities in accordance with 10 CFR Part 70 requirements. In this regard, BWX Technologies, Inc., will maintain the present \$XXXXX guaranteed decommissioning costs for SNM-042.

Under the proposed new organizational structure, BWX Technologies, Inc. shall continue to exist as the direct parent company of both the BWXT Services, Inc and the licensee. In the new structure, BWXT- Nuclear Operations Division will be removed from the BWX Technologies, Inc., as a Division and a new successor incorporated company, called Babcock & Wilcox Nuclear Operations Group, Inc., will be created. This new successor incorporated company will be the licensee for SNM-42 and BWXT Technologies, Inc., will be its parent company responsible for financial holdings and NRC financial assurances.

The Marine Mechanical Corporation currently is a subsidiary of BWX Technologies, Inc. In the proposed organizational structure, it would no longer be a subsidiary of BWXT Technologies, Inc., rather it would be a plant that is run under Babcock & Wilcox Nuclear Operations Group, Inc. (formerly Nuclear Operations Division.) Activities under SNM-42 are not associated with the Marine Mechanical Corporation.

In addition, the Babcock & Wilcox Nuclear Operations Group Lynchburg, Virginia (formerly NOD-L) appears on the lower

organization tier under Babcock & Wilcox Nuclear Operations Group, Inc, along with other Babcock & Wilcox Nuclear Operations Group Plants (Barberton, Ohio, Mt. Vernon, Indiana, and Euclid, Ohio) to show the number of plants that the Babcock & Wilcox Nuclear Operations Group, Inc., will have under it. The only plant that is associated with SNM-42 is the Babcock & Wilcox Nuclear Operations Group Lynchburg, Virginia Plant.

The Lynchburg Technology Center is part of SNM-42. Currently, it is a incorporated entity of The Babcock & Wilcox Companies. Under the proposed organization structure Babcock & Wilcox Companies will change its name to The Babcock & Wilcox Company. The Lynchburg Technology Center will be incorporated under The Babcock & Wilcox Company.

Chapter 10 of SNM-42 discusses the decommissioning funding for SNM-42. Page 10-6 provides details of the decommissioning funding covering the Lynchburg Technology Center and the BWX Technologies, Nuclear Operations Division (recognized by NRC as BWXT Nuclear Products Division).

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**Subject:** RE: From what I understand:  
**Creation Date** 12/12/2007 3:03:57 PM  
**From:** "Morrell, Leah R." <lrmorrell@babcock.com>  
**Created By:** lrmorrell@babcock.com

**Recipients**

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 AMS3 (Amy Snyder)

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blcole CC (Barry L. Cole)  
 dward CC (David C. Ward)  
 cryates CC (Carl R. Yates)  
 mbcolling CC (M. B. (Beth) Colling)

**Post Office**

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 Mime.822

**Size**

8540  
 23136  
 39568

**Date & Time**

12/12/2007 3:03:57 PM

**Options**

**Expiration Date:** None  
**Priority:** Standard  
**ReplyRequested:** No  
**Return Notification:** None

**Concealed Subject:** No  
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Junk List is not enabled

Junk Mail using personal address books is not enabled

Block List is not enabled