

September 29, 2008

Mr. David Barry, President
Nuclear Division of the Power Group
The Shaw Group, Inc.
128 South Tryon Street, Suite 400
Charlotte, North Carolina 28202

Dear Mr. Barry:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am responding to your letter dated August 4, 2008. The Shaw Group, Inc. (Shaw) requested authorization from the NRC to control Safeguards Information (SGI) under its own program. Although you state that Shaw currently has access to SGI under a program authorized by Westinghouse, you do not believe this arrangement will be adequate for the significantly-expanded scope of your new reactor services and the number of new reactor applicants to be supported.

I have asked Mr. Roy Zimmerman, Director of the Office of Nuclear Security and Incident Response, to review your request and provide guidance in how best to meet your objectives while upholding the regulations regarding protection and dissemination of SGI. Mr. Zimmerman and his staff have already met with representatives of the Nuclear Energy Institute to determine the scope of the issue and identify efficiencies in the process. I understand that a meeting was held on September 24, 2008, with Shaw representatives and NRC staff. The results of this meeting will help us expedite the review of this matter. If you have any questions regarding this matter, please contact Mr. Zimmerman at 301-415-8003.

Sincerely,

/RA/

Peter B. Lyons
Acting Chairman