

Amy Snyder

From: Thomas Fredrichs
Sent: Monday, August 25, 2008 2:10 PM
To: Amy Snyder; Kenneth Kline
Cc: Thomas Fredrichs
Subject: RE: SNM-42 License Transfer

Amy,

Referring to my Aug 07, 2008 e-mail to you, the BWXT response dated Aug 19, 2008 adequately addresses items 1,2, and 3. No response to item 4 of my e-mail was included in the BWXT response.

Tom F.

From: Amy Snyder
Sent: Thursday, August 21, 2008 3:43 PM
To: Kenneth Kline; Thomas Fredrichs
Cc: Lydia Chang; Peter Habighorst
Subject: FW: SNM-42 License Transfer

Resent- with attachment-
Sorry it was not forwarded the first time.
If you have any questions, please let me know
Best,
Amy

From: Cole, Barry L. [mailto:blcole@babcock.com]
Sent: Tuesday, August 19, 2008 4:06 PM
To: Amy Snyder
Cc: Colling, M. B. (Beth); Ward, David C.; Yates, Carl R.; Goff, Cheryl K.; Kirby, Kenneth R.
Subject: SNM-42 License Transfer

Amy,

Here are BWXT's answers regarding the NRC's questions resulting from the final review of our request (TAC L32657) to transfer License SNM-42 to Babcock & Wilcox Nuclear Operations Group, Inc.:

Q: Regarding NRC's question of our Clause 9 in Department of Energy – Naval Reactors (DOE-NR) Contract concerning Decommissioning Activities related to Non-DOE-NR activities at the site. Do we have the ability to distinguish between NR and Non-DOE-NR in our contamination and waste flows?

A: Yes; the only area of concern was Uranium Recovery and our Waste Treatment Facility. BWXT does distinguish between the DOE-NR and Non-DOE-NR in Uranium Recovery by performing cleanouts between contracts. All clean-ups of spills in Uranium Recovery conducted during a contract, whether DOE-NR or Non-DOE-NR, would be charged to the appropriate contract. Our Waste Treatment facility is covered under our contracts with the DOE-NR program.

Q: Regarding NRC's question of the RTRT and Downblend Decommissioning Estimate excluding an estimate for soil remediation. Why do we make this statement? Is it because there are no buried piping, no spillage that could leak into the soil, etc? What evidence do we have to backup this statement?

A: Both areas are built on concrete slabs. The only underground piping in RTRT is related to the employee change area waste drains; however, when decommissioning RTRT, the underground piping would not be removed since it connects to piping that services other areas of the facility. Also, RTRT does not process SNM-bearing solutions which could lead to spillage and possible soil contamination. To the best of our knowledge there are no buried pipes in Downblend. In addition to being built on a concrete slab, Downblend has an additional chemical-resistant coating on top of the concrete.

Q: Regarding NRC's question of the statement in the Decommissioning Section for Downblend which reads as follows:

For facilities that were not previously contaminated by DOE-NR activities prior to downblending activities, the cost estimates are based upon reaching levels acceptable for unrestricted release but no necessarily asking NRC for unrestricted release.

What is meant by the phrase "not necessarily asking NRC for unrestricted release"?

A: Areas like the storage building utilized in the Downblending contract is an example of where we would clean until we reached a level for unrestricted release of the facility, but we would no ask NRC for permission to release the facility.

Q: Regarding NRC's interpretation of this clause, Chapter 10, page 10-10 Clause 8, Cleanup Expenses. Are we as the licensee responsible for this, and is this talking about waste disposal site?

A: BWXT interprets the clause to mean the following: if there is a need for an investigation or remedial action at the disposal site where we have disposed of our low level radioactive waste on this contract, then the amount of the costs incurred for that investigation or remedial action is not included in the contract. However, if the costs for the investigation or remediation are found to be allocable to this contract and we as the Contractor have made an effort to reduce the costs of said investigation, then if funds are available, they (DOE) will make an equitable adjustment to the price of the contract. However, DOE can't guarantee that Congress will appropriate additional funds for this type of activity at a later date.

Q: Regarding Chapter 10, page 10-11, Clause 9 Item b. There is a statement which reads "This maximum liability is subject to the "Compliance with Laws and Regulations" provisions and all other provisions of this contract. Also in Chapter 10, page 10-15 the following statement is made: "DOE further agrees, subject to the availability of appropriated funds, decommissioning costs allocable to contracts with do not contain the clause Decommissioning Expenses shall be reimbursed pursuant to the Compliance with Laws and Regulations clause contained in the contracts."

NRC would like a copy of the Compliance with Laws and Regulations clause so they can review it.

A: See attached PDF file.

The automatic proprietary statement at the end of this email does not apply in regards to this correspondence with the U. S. NRC.

Sincerely,

Barry Cole
Manager, Licensing & Safety Analysis
BWX Technologies, Inc.
Nuclear Products Division
434-522-5665

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