

June 15, 2010

Mr. Steve Schilthelm
Babcock & Wilcox Nuclear Operations
Group, Inc.
2016 Mount Athos Road
Lynchburg, VA 24504

SUBJECT: SAFETY EVALUATION REPORT FOR TRANSFER OF CONTROL OF
LICENSE SNM-42 (TAC L 32979)

Dear Mr. Schilthelm:

On June 2, 2010, the U.S. Nuclear Regulatory Commission (NRC) transmitted a letter to Mr. Winfred Nash (Agencywide Documents and Access Management System [ADAMS] Accession Number ML101410011) stating that the spin-off of the Babcock & Wilcox companies from McDermott International was determined to be an indirect transfer of control. In an Order (ADAMS Accession Number ML101540128) dated June 4, 2010, the NRC approved the indirect transfer of control, as it applies to materials licenses SNM-42, SNM-124, and SNM-2001. The Safety Evaluation Report, which documents the basis for NRC's decision, is furnished as an enclosure to this letter.

No changes are required to License SNM-2001 as a result of this action.

In accordance with Title 10 of the *Code of Federal Regulations* 2.390(d) of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of NRC's ADAMS. ADAMS is accessible through the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

If you have any questions regarding this matter, please contact Merritt N. Baker of my staff at (301) 492-3128 or by e-mail at Merritt.Baker@NRC.gov.

Sincerely,

/RA/

Peter J. Habighorst, Chief
Fuel Manufacturing Branch
Fuel Facility Licensing Directorate
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No.: 70-3085
License No.: SNM-2001

Enclosure: As stated

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