

June 15, 2010

Mr. Mark P. Elliott
Nuclear Fuel Services, Inc.
1205 Banner Hill Road
Erwin, TN 37650

SUBJECT: SAFETY EVALUATION REPORT FOR TRANSFER OF CONTROL DUE TO
SPIN-OFF OF THE BABCOCK & WILCOX COMPANIES FROM MCDERMOTT
INTERNATIONAL INC.

REFERENCE: 21G-10-0077, "Notification of 'No Change in Control' due to Plans to Spin-Off
the Babcock & Wilcox Company from McDermott International, Inc.

Dear Mr. Elliott:

This refers to your letter number 21G-10-0077, dated April 28, 2010. On June 2, 2010, the U.S. Nuclear Regulatory Commission (NRC) transmitted a letter (Agencywide Documents Access and Management System [ADAMS] Accession Number ML101410011) to Mr. Winfred Nash of Babcock & Wilcox Nuclear Operations Group, Inc. stating that the spin-off of the Babcock & Wilcox companies from McDermott International was determined to be an indirect transfer of control under Title 10 of the *Code of Federal Regulations* (10 CFR) 70.36. 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-124 as a result of this action.

In accordance with 10 CFR 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 document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

M. Elliott

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If you have any questions regarding this matter, please contact Kevin M. Ramsey of my staff at (301) 492-3123 or by e-mail at Kevin.Ramsey@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.: 70-143
License No.: SNM-124

Enclosure: As stated

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