

**SAFEGUARDS INFORMATION**

May 9, 2011

Mr. Jeffrey A. Halfinger, Vice President  
Technology Development  
Babcock and Wilcox Nuclear Energy  
109 Ramsey Place  
Lynchburg, VA 24501

SUBJECT: APPROVAL OF REVIEWING OFFICIALS FOR BABCOCK AND WILCOX AND  
TRANSMITTAL OF BEYOND DESIGN BASIS, LARGE COMMERCIAL  
AIRCRAFT CHARACTERISTICS SPECIFIED BY THE COMMISSION

Dear Mr. Halfinger:

On December 22, 2010, the U.S. Nuclear Regulatory Commission (NRC) issued Order EA-2010-208, "Order Imposing Safeguards Information (SGI) Protection Requirements and Fingerprinting and Criminal History Records Check Requirements for Access to Safeguards Information." EA-2010-208 included restrictions on the storage and sharing of the information designated SGI by the Order. Specifically, Section III.A.2 of EA-2010-208 requires written NRC approval of any additional facilities in which Babcock & Wilcox Nuclear Energy, Inc. (B&W) intends to store the information designated SGI by the Order listed above.

In your response letter dated January 11, 2011, B&W nominated you and Mr. James L. Noel, Security Specialist, to be B&W's SGI reviewing officials and submitted proof of your and Mr. Noel's existing active "Q" security clearances. The NRC has confirmed that both you and Mr. Noel have an active "Q" security clearance granted by the U.S. Department of Energy (DOE). Based upon the active security clearance held by you and Mr. Noel, the NRC determined that the two of you meet the criteria for an SGI reviewing official as specified in Order EA-2010-208. B&W's reviewing officials, and only those reviewing officials, can make SGI access determinations for other individuals who B&W has identified as having a need to know, who have been the subject of a Federal Bureau of Investigation (FBI) fingerprint criminal history records check, and who have been deemed trustworthy and reliable based upon a background check as prescribed by Section I of the aforementioned Order and Title 10 of the *Code of Federal Regulation*, Part 73.22(b). Reviewing officials can only make SGI access determinations for other individuals; they cannot approve other individuals to act as reviewing officials. If B&W wishes to designate new or additional reviewing officials, the NRC must approve each individual before he or she can act as a reviewing official. Additionally, as one of B&W's reviewing officials, you must handle and protect all fingerprints and FBI criminal history records as specified in NRC Order EA-2010-208 and 10 CFR 73.57(f).

As stated in the aforementioned letter, B&W will rely upon the existing SGI program at the B&W Nuclear Operations Group facility located at 1570 Mt. Athos Rd. Lynchburg, VA 24504. The facility is a Category I materials facility operated under NRC license #SNM-42. Additionally, your January 11, 2011, letter states that all SGI at the facility will be controlled

**~~Document transmitted herewith contains SGI. When separated from enclosure(s), this document is decontrolled.~~**

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and only (i) cleared individuals (DOE "L" or "Q" clearances) or (ii) individuals approved for access to SGI by the NRC-approved reviewing official, and in all cases only persons with a need to know this specific SGI in support of the mPower™ design effort, will be allowed to access the beyond design basis and large commercial aircraft characteristics SGI. Your January 11, 2011, letter also states that all SGI information received from the NRC will be stored in a GSA-Approved repository separate from other material that may have a higher security classification. Based on these considerations, the NRC has determined that the B&W Nuclear Operations Group facility listed above meets the requirements for storage of the beyond design basis and large commercial aircraft characteristics information. Accordingly, your request to store the beyond design basis and large commercial aircraft characteristics information at the specified B&W Nuclear Operations Group facility is approved.

Based on the staff's satisfactory review of the information provided in your response to Order EA-2010-208, authorization for control of the beyond design basis, large commercial aircraft characteristics information specified by the Commission that are referenced in Order EA-2010-208 at the B&W Nuclear Operations Group facility listed above has been approved. Therefore, the staff has enclosed the beyond design basis, large commercial aircraft characteristics information.

As a reminder, the terms of Order EA-2010-208 require NRC review and approval for storage of the beyond design basis, large commercial aircraft characteristics at other B&W facilities or if you intend to provide the characteristics to individuals for whom fingerprinting and an FBI criminal history records check is not reasonably expected to yield sufficient criminal history information to form the basis of an informed decision on granting access to SGI.

Should you have any questions, comments or concerns regarding this issue, please contact, Ms. Yanely Malave, Project Manager via email at [Yanely.Malave@nrc.gov](mailto:Yanely.Malave@nrc.gov) or by telephone at (301) 415-1519 or Ms. Joelle Starefos, Lead Project Manager via email at [Joelle.Starefos@nrc.gov](mailto:Joelle.Starefos@nrc.gov) or by telephone at (301) 415-6091.

Sincerely,

*/RA/*

Michael E. Mayfield, Director  
Advanced Reactor Program  
Office of New Reactors

Project No.: 0776

Enclosures:

1. Beyond Design Basis Large Commercial Aircraft Characteristics Specified by the Commission (Safeguards Information)

